



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2006 REGULAR SESSION

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HOUSE BILL NO. 380

VOLUME 1 OF 3

AS ENACTED AND VETOED IN PART

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WEDNESDAY, APRIL 12, 2006 - AS ENACTED

MONDAY, APRIL 24, 2006 - VETOED IN PART

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TREY GRAYSON  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY Garie Allmon

AN ACT relating to appropriations and revenue measures providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

## PART I

### OPERATING BUDGET

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1, 2005, and ending June 30, 2006, for the fiscal year beginning July 1, 2006, and ending June 30, 2007, and for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

(2) **Tobacco Settlement Funds:** Appropriations identified as General Fund (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated in duplication.

### A. GENERAL GOVERNMENT

#### Budget Units

#### 1. OFFICE OF THE GOVERNOR

2006-07

2007-08

1	General Fund	9,734,400	9,816,100
2	Restricted Funds	388,200	388,200
3	TOTAL	10,122,600	10,204,300

4       **(1) Housing Allowance for the Lieutenant Governor:** Included in the above  
5 General Fund appropriation for the Office of the Governor and Lieutenant Governor's  
6 Office, is \$2,500 monthly as a housing allowance.

7       **(2) Governor's Scholars Program:** Included in the above General Fund  
8 appropriation is \$2,180,100 in fiscal year 2006-2007 and \$2,297,800 in fiscal year 2007-  
9 2008 for the Governor's Scholars Program.

10       ~~**[(3) Employees of Governor's Scholars Program, Inc.:** For the purposes of~~  
11 ~~salary and fringe benefits, employees of Governor's Scholars Program, Inc. shall be~~  
12 ~~considered state employees.] (Veto #1)~~

## 13       **2. OFFICE OF STATE BUDGET DIRECTOR**

14		<b>2006-07</b>	<b>2007-08</b>
15	General Fund	4,433,400	4,433,400
16	Restricted Funds	80,600	136,800
17	TOTAL	4,514,000	4,570,200

## 18       **3. STATE PLANNING FUND**

19		<b>2006-07</b>	<b>2007-08</b>
20	General Fund	250,000	250,000

## 21       **4. HOMELAND SECURITY**

22		<b>2006-07</b>	<b>2007-08</b>
23	General Fund	350,000	350,000
24	Restricted Funds	440,000	440,000
25	Federal Funds	40,000,000	40,000,000
26	Road Fund	350,000	350,000
27	TOTAL	41,140,000	41,140,000

1       **(1) Reviewing of Applications:** The Kentucky Office of Homeland Security shall  
2 consult with Local Area Development Districts and local government entities while  
3 reviewing applications to determine qualified grant recipients.

4       **(2) Statewide Annual Report:** The Kentucky Office of Homeland Security shall  
5 prepare an annual report that identifies the state homeland security priorities based on  
6 National Homeland Security Priorities and shall include:

7           a. An assessment of the Commonwealth's preparedness to respond to acts of war or  
8 terrorism, including nuclear, biological, chemical, electromagnetic pulse, agricultural,  
9 ecological, or cyber terrorism;

10          b. Identify the priority of needs, areas of improvement, and the overall progress  
11 made with regard to the Commonwealth's preparedness; and

12          c. Provide a record of all federal homeland security funding, including grants of all  
13 federal homeland security funding distributed in Kentucky since the last annual written  
14 report, as well as any other relevant homeland security funding information gathered by  
15 the Kentucky Office of Homeland Security. The record shall identify, at a minimum, the  
16 specific federal source, the amount, the specific recipient, the intended use of the funding,  
17 the actual use of the funding, and any unspent amount.

18       The report shall be approved by the Homeland Security Interagency Working  
19 Group. The Homeland Security Interagency Working Group shall include the chair of the  
20 Senate Committee on Veterans, Military Affairs, and Public Protection, the chair of the  
21 House Committee on Seniors, Military Affairs, and Public Safety, a state agency  
22 representative, and a private agency representative.

23       The annual report shall be submitted to the Legislative Research Commission by  
24 October 25 of each year for a public hearing to be conducted by a joint meeting of the  
25 Senate Committee on Veterans, Military Affairs, and Public Protection and the House  
26 Committee on Seniors, Military Affairs, and Public Safety for the purpose of receiving  
27 comments on the statewide report and critique of the criteria established for determining

the award of homeland security funds. The Executive Director of the Kentucky Office of Homeland Security shall report all findings of fact or any other reports or recommendations presented at the public hearing to the Homeland Security Working Group.

**(3) Grant Recipient Report:** The Kentucky Office of Homeland Security shall ~~within 15 days of the final award of grants,~~ (Veto #2) report the list of recipients to the Legislative Research Commission.

**(4) Application Background Data:** The Kentucky Office of Homeland Security shall, upon request of the Commission, make available to the Commission all grant applications submitted to the office, score sheets, and procedures for funding.

## 5. DEPARTMENT OF VETERANS' AFFAIRS

	2006-07	2007-08
General Fund	15,436,200	16,669,700
Restricted Funds	24,713,700	24,905,700
TOTAL	40,149,900	41,575,400

**(1) Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive component of the Personnel Pilot Program for the 2006-2008 fiscal biennium.

**(2) Congressional Medal of Honor Recipients - Travel and Per Diem:** The Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses incurred when Kentucky residents who have been awarded the Congressional Medal of Honor attend veterans, military, or memorial events in the Commonwealth of Kentucky.

**(3) Military Burial Honor Guard Program:** Included in the above General Fund appropriation is an additional \$35,000 in each fiscal year to support the Military Burial Honor Guard Program/Veterans' Service Organizational Burial Honor Guard Trust Fund for providing proper support and decorum for veterans' funeral honors. These funds

1 shall not lapse nor be utilized for other than the intended purposes.

2 Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with  
 3 the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors  
 4 on the implementation of the Military Burial Honor Guard Program. The Board of  
 5 Embalmers and Funeral Directors shall mail program notification letters to all licensed  
 6 embalmers and funeral directors with information related to the program description and  
 7 contacts for the Military Burial Honor Guard Program. These letters shall be mailed with  
 8 the annual renewal notifications prior to July 1 each year. New applicants will receive  
 9 their notification of the program at the time of licensing. The Board of Embalmers and  
 10 Funeral Directors shall establish a section on the Board's Web site pertaining to the  
 11 Military Burial Honor Guard Program. The Department of Military Affairs and the  
 12 Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors,  
 13 Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the  
 14 implementation of the Military Burial Honor Guard Program. The report shall include  
 15 recommendations on organizational related matters, training and continuing education  
 16 needs, equipment requirements for organizations performing or coordinating the honors  
 17 ceremonies, and the expenditure of funds.

18 **(4) Debt Service:** Included in the above General Fund appropriation is \$84,000 in  
 19 fiscal year 2006-2007 and \$168,000 in fiscal year 2007-2008 for debt service to support  
 20 new bonds for the Western Kentucky Veterans' Center as set forth in Part II, Capital  
 21 Projects Budget, of this Act.

## 22 **6. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY**

23		<b>2006-07</b>	<b>2007-08</b>
24	General Fund (Tobacco)	17,469,800	20,065,100
25	General Fund	3,000,000	-0-
26	Restricted Funds	545,800	570,000
27	<b>TOTAL</b>	<b>21,015,600</b>	<b>20,635,100</b>

1           **(1) Kentucky Agricultural Finance Corporation:** Notwithstanding KRS  
2 247.978(2), the total amount of principal which a qualified applicant may owe the  
3 Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000.

4           **(2) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),  
5 and from the allocation provided therein, counties that are allocated in excess of \$20,000  
6 annually may provide up to four percent of the individual county allocation, not to exceed  
7 \$15,000 annually, to the county council in that county for administrative costs.

8           **(3) Partial Phase II Litigation Proceeds:** Notwithstanding KRS 45.229, General  
9 Fund dollars of \$27,000,000 representing Partial Phase II Litigation proceeds that were  
10 appropriated in fiscal year 2005-2006 pursuant to 2005 House Bill 267 (2005 Ky. Acts  
11 ch. 173, Part X, Phase I Tobacco Settlement, B.3.a.(4)), shall not lapse in fiscal years  
12 2005-2006, 2006-2007, and 2007-2008. To the extent possible, all General Fund dollars  
13 shall be expended from the account prior to the expenditure of Tobacco Fund dollars.

14           **(4) Restoration of Funds:** Notwithstanding KRS 45.229, General Fund dollars of  
15 \$3,000,000 representing the restoration of funds, shall not lapse in fiscal year 2006-2007  
16 and fiscal year 2007-2008. Included in the above General Fund appropriation in fiscal  
17 year 2006-2007 is an additional \$3,000,000 for the restoration of funds resulting from the  
18 Master Settlement Agreement appropriation adjustment resulting from the reduced  
19 Consensus Forecasting Group estimates in fiscal year 2005-2006.

## 20   **7. KENTUCKY INFRASTRUCTURE AUTHORITY**

21		<b>2006-07</b>	<b>2007-08</b>
22	General Fund	2,343,500	25,744,100
23	Restricted Funds	1,483,300	1,752,600
24	Federal Funds	50,172,600	50,172,600
25	TOTAL	53,999,400	77,669,300

26           **(1) Federally Assisted Wastewater Revolving Loan Fund Program:** Included  
27 in the above General Fund appropriation is \$188,000 in fiscal year 2007-2008 for debt

1 service to support \$4,000,000 in bonds to match \$20,000,000 in Federal Funds for the  
2 Federally Assisted Wastewater Revolving Loan Fund Program (Fund A).

3 **(2) Safe Drinking Water State Revolving Loan Fund Program:** Included in  
4 the above General Fund appropriation is \$188,000 in fiscal year 2007-2008 for debt  
5 service to support \$4,000,000 in bonds to match \$22,000,000 in Federal Funds for the  
6 Safe Drinking Water State Revolving Loan Fund Program (Fund F). The Federal Funds  
7 for this program are appropriated in the operating budget to comply with the Federal Cash  
8 Management Act. The required state matching funds are appropriated as Bond Funds in  
9 Part II, Capital Projects Budget, of this Act.

10 **(3) Administrative Fee on Infrastructure for Economic Development Fund**  
11 **Projects:** A one-half of one percent administrative fee is authorized to be paid to the  
12 Kentucky Infrastructure Authority for the administration of each project funded by the  
13 Infrastructure for Economic Development Fund for Coal-Producing Counties and the  
14 Infrastructure for Economic Development Fund for Tobacco Counties. These  
15 administrative fees shall be paid, upon inception of the project, out of the fund from  
16 which the project was allocated.

17 **(4) Local Government Economic Development Funds:** Included in the above  
18 General Fund appropriation is \$370,000 in fiscal year 2006-2007 and \$311,700 in fiscal  
19 year 2007-2008 from the Local Government Economic Development Fund to support  
20 services provided to coal-producing counties.

21 **(5) Infrastructure for Economic Development Fund for Non-Coal Producing**  
22 **Counties:** Included in the above General Fund appropriation is \$13,968,000 in fiscal year  
23 2007-2008 for debt service to support \$150,000,000 Bond Funds for the Infrastructure for  
24 Economic Development Fund for Non-Coal Producing Counties as set forth in Part II,  
25 Capital Projects Budget, of this Act.

26 **(6) Infrastructure for Economic Development Fund for Coal-Producing**  
27 **Counties:** Included in the above General Fund appropriation is \$9,312,000 in fiscal year



1 2007-2008 for debt service to support \$100,000,000 Bond Funds for the Infrastructure for  
 2 Economic Development Fund for Coal-Producing Counties as set forth in Part II, Capital  
 3 Projects Budget, of this Act.

4 **8. MILITARY AFFAIRS**

	<b>2006-07</b>	<b>2007-08</b>
6 General Fund	12,588,700	12,799,700
7 Restricted Funds	24,271,500	24,271,500
8 Federal Funds	62,302,800	62,660,700
9 TOTAL	99,163,000	99,731,900

10 **(1) Kentucky National Guard:** There is appropriated from the General Fund the  
 11 necessary funds to be expended, subject to the conditions and procedures provided in this  
 12 Act, which are required as a result of the Governor's call of the Kentucky National Guard  
 13 to active duty when an emergency or exigent situation has been declared to exist by the  
 14 Governor. These necessary funds shall be made available from the General Fund Surplus  
 15 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

16 **(2) Disaster or Emergency Aid Funds:** There is appropriated from the General  
 17 Fund the necessary funds, subject to the conditions and procedures in this Act, which are  
 18 required to match federal aid to which the state would be eligible in the event of a  
 19 presidentially declared disaster or emergency. These necessary funds shall be made  
 20 available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve  
 21 Trust Fund Account (KRS 48.705).

22 **(3) Base Realignment and Closure:** Included in the above General Fund  
 23 appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008  
 24 for the Kentucky Commission on Military Affairs to support Kentucky's efforts regarding  
 25 the Base Realignment and Closure process. The Department of Military Affairs shall  
 26 continue to provide administrative support for this activity.

27 **(4) Patton Museum:** Included in the above General Fund appropriation is an

1 additional \$500,000 in fiscal year 2006-2007 ~~and \$500,000 in fiscal year 2007-2008~~  
2 (*Veto #3*) for the Kentucky Commission on Military Affairs to provide funds for a grant  
3 to support the operations of the Patton Museum. The Department of Military Affairs shall  
4 provide administrative support for this activity.

5 **(5) Military Burial Honor Guard Program:** Included in the above General  
6 Fund appropriation is an additional \$200,000 in each fiscal year to support the Military  
7 Burial Honor Guard Program/Military Burial Honor Guard Trust Fund for providing the  
8 proper support and decorum for military funeral honors pursuant to KRS 36.390 to  
9 36.396. These funds shall not lapse nor be utilized for other than the intended purposes.

10 Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with  
11 the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors  
12 on the implementation of the Military Burial Honor Guard Program. The Board of  
13 Embalmers and Funeral Directors shall mail program notification letters to all licensed  
14 embalmers and funeral directors with information related to program description and  
15 contacts for the Military Burial Honor Guard Program. These letters shall be mailed with  
16 the annual renewal notifications prior to July 1 each year. New applicants will receive  
17 their notification of the program at the time of licensing. The Board of Embalmers and  
18 Funeral Directors shall establish a section on the Board's web site pertaining to the  
19 Military Burial Honor Guard Program. The Department of Military Affairs and the  
20 Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors,  
21 Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the  
22 implementation of the Military Burial Honor Guard Program. The report shall include  
23 recommendations on organizational related matters, training and continuing education  
24 needs, equipment requirements for organizations performing or coordinating the honors  
25 ceremonies, and the expenditure of funds.

26 **(6) Debt Service:** Included in the above General Fund appropriation is \$211,000  
27 in fiscal year 2006-2007 and \$422,000 in fiscal year 2007-2008 for debt service to

1 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

2       **(7) Military Family Assistance Trust Fund:** Included in the above General  
3 Fund appropriation is an additional \$500,000 each fiscal year to provide funding to  
4 support the Military Family Assistance Trust Fund as codified in Part XXVIII of this Act.  
5 Of the total General Fund appropriation, \$400,000 each fiscal year shall be used as  
6 proceeds for the Fund and \$100,000 shall be used for operations.

7       **(8) Morehead/Rowan County Airport:** The Kentucky National Guard may  
8 accept any available federal dollars for construction of a road to the Morehead/Rowan  
9 County Airport. The Kentucky National Guard shall work with the Transportation  
10 Cabinet to complete this project.

#### 11 **9. COMMISSION ON HUMAN RIGHTS**

12		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
13	General Fund	-0-	1,840,900	1,859,100
14	Restricted Funds	-0-	1,700	1,600
15	Federal Funds	126,100	293,400	305,700
16	TOTAL	126,100	2,136,000	2,166,400

#### 17 **10. COMMISSION ON WOMEN**

18		<b>2006-07</b>	<b>2007-08</b>
19	General Fund	266,200	266,200
20	Restricted Funds	25,600	24,400
21	TOTAL	291,800	290,600

#### 22 **11. GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT**

23		<b>2006-07</b>	<b>2007-08</b>
24	General Fund	13,498,500	20,887,400
25	Restricted Funds	2,585,600	2,085,600
26	Federal Funds	55,564,200	55,564,200
27	TOTAL	71,648,300	78,537,200

1           **(1) Flood Control Matching Fund Project Review:** The Governor's Office for  
2 Local Development shall transmit a copy of the application for a flood-related project to  
3 be funded from the flood control matching fund to the Environmental and Public  
4 Protection Cabinet with a request for a review of the project pursuant to KRS Chapter  
5 151.

6           **(2) Owenton/Owen County Natural Gas Line Project:** Included in the above  
7 General Fund appropriation is \$234,000 in fiscal year 2007-2008 to provide new debt  
8 service for the Owenton/Owen County Natural Gas Line Project as set forth in Part II,  
9 Capital Projects Budget, of this Act.

10          **(3) Support of the 12 Multicounty Regional Industrial Park Authorities:**  
11 Included in the above Restricted Funds appropriation is \$300,000 in fiscal year 2006-  
12 2007 and \$300,000 in fiscal year 2007-2008 in support of the 12 multicounty regional  
13 industrial park authorities. Funds shall be distributed equally to the 12 multicounty  
14 regional industrial park authorities for marketing and maintenance of the industrial parks  
15 and the procurement of property and casualty insurance on the parks.

16          **(4) Buckhorn Children's Home:** Included in the above Restricted Funds  
17 appropriation is \$500,000 in fiscal year 2006-2007 for a grant to the Buckhorn Children's  
18 Home.

19          **(5) Prior Year Funded Community Development Projects:** Notwithstanding  
20 any statutory provision or agreement between a state agency and any local government to  
21 the contrary, any fund balance remaining in any Community Development Project  
22 appropriated in 2000 Ky. Acts ch. 549, Part II, Section R, remain authorized and may be  
23 retained by the local entity and expended in a manner consistent with the intent and  
24 purpose of the appropriation. The Secretary of the Finance and Administration Cabinet,  
25 pursuant to KRS 48.500, shall make any determination necessary to effect this provision.

26          **(6) Debt Service - Warren County Fiscal Court - Transpark - Rail Spur:**  
27 Included in the above General Fund appropriation is \$422,000 in fiscal year 2007-2008

1 for debt service to support \$4,500,000 Bond Funds for the Warren County Fiscal Court  
 2 Transpark, for Rail Spur and Infrastructure Improvements, as set forth in Part II, Capital  
 3 Projects Budget, of this Act.

4 **(7) Jessamine County Fiscal Court - Building Restoration in Nicholasville:**  
 5 Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007  
 6 for a grant to Jessamine County Fiscal Court for building restoration in Nicholasville.

7 **(8) Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia:**  
 8 Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007  
 9 for a grant to Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia.

10 **(9) Scott County Fiscal Court - Buffalo Park Improvement and**  
 11 **Infrastructure:** Included in the above General Fund appropriation is \$150,000 in fiscal  
 12 year 2006-2007 for a grant to Scott County Fiscal Court for the Buffalo Park  
 13 Improvement and Infrastructure.

14 **(10) City of Covington - Timestar Commons - Planning:** Included in the above  
 15 General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to the City of  
 16 Covington for Timestar Commons planning.

17 **(11) City of Ludlow - Municipal Meeting Center:** Included in the above General  
 18 Fund appropriation is \$225,000 in fiscal year 2006-2007 for a grant to the City of Ludlow  
 19 for Phases I through III of the upgrade and renovation of the Municipal Meeting Center.

20 **(12) Richmond Arts Council:** Included in the above General Fund appropriation  
 21 is \$100,000 in fiscal year 2006-2007 and \$100,000 in fiscal year 2007-2008 for a grant to  
 22 the Richmond Arts Council.

23 **(13) Debt Service - Community Development Fund Projects:** Included in the  
 24 above General Fund appropriation is \$7,045,000 in fiscal year 2007-2008 for debt service  
 25 to support \$75,658,000 in Bond Funds for the Community Development Fund Projects,  
 26 as set forth in Part II, Capital Projects Budget, of this Act.

27 ~~**{(14) Debt Service - Louisville Zoo - Glacier Run:** Included in the above General~~

1 ~~Fund appropriation is \$561,000 in fiscal year 2007-2008 for debt service on \$6,000,000~~  
 2 ~~Bond Funds for the Louisville Zoo Glacier Run project as set forth in Part II, Capital~~  
 3 ~~Projects Budget, of this Act.] (Veto #4)~~

4 **12. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	2006-07	2007-08
6 General Fund	52,535,600	51,443,100

7 **13. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND**

	2006-07	2007-08
9 General Fund	51,716,800	50,453,700

10 **(1) Coal Severance Tax Collections Calculations and Transfers:** The above  
 11 appropriations from the General Fund are based on the official estimate presented by the  
 12 Office of State Budget Director for coal severance tax collections during the biennium,  
 13 distributed in accordance with KRS 42.450 to 42.495.

14 **(2) Trover Clinic Grant:** Notwithstanding KRS 42.4582 and 42.4585, the  
 15 quarterly calculation and transfer of the funds shall be made only after each quarterly  
 16 installment of the annual appropriation of \$1,000,000 in fiscal year 2006-2007 and  
 17 \$1,000,000 in fiscal year 2007-2008 has been credited to the Trover Clinic Grant within  
 18 the Governor's Office for Local Development.

19 **(3) Community Development Office:** Notwithstanding KRS 42.4592, the  
 20 quarterly calculation of the allocation of moneys to coal-producing counties through the  
 21 Local Government Economic Development Fund shall be made only after each quarterly  
 22 installment of the annual appropriation of \$669,700 in fiscal year 2006-2007 and  
 23 \$728,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the  
 24 Community Development Office in the Governor's Office for Local Development.

25 **(4) Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4592, the  
 26 quarterly calculation of the allocation of moneys to coal-producing counties through the  
 27 Local Government Economic Development Fund shall be made only after each quarterly

1 installment of the annual appropriation of \$370,000 in fiscal year 2006-2007 and  
2 \$311,700 in fiscal year 2007-2008 is appropriated as General Fund moneys to the  
3 Kentucky Infrastructure Authority.

4       **(5) Tourism Marketing Program:** Notwithstanding KRS 42.4588, \$1,000,000  
5 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 shall be transferred  
6 from the Local Government Economic Development Fund, Multi-County Fund, to the  
7 Tourism Marketing Program within the Commerce Cabinet. Fees for professional artists  
8 and entertainers performing on the Kentucky Music Trail shall be paid from the Tourism  
9 Marketing Program.

10       **(6) Read to Achieve:** Notwithstanding KRS 42.4592, the quarterly calculation of  
11 the allocation of moneys to coal-producing counties through the Local Government  
12 Economic Development Fund shall be made only after each quarterly installment of the  
13 annual appropriation of \$4,000,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year  
14 2007-2008 is appropriated as General Fund moneys to the Read to Achieve Program  
15 within the Department of Education.

16       **(7) Drug Courts:** Notwithstanding KRS 42.4588, \$1,300,000 in fiscal year 2006-  
17 2007 and \$1,800,000 in fiscal year 2007-2008 shall be transferred from the Local  
18 Government Economic Development Fund, Multi-County Fund, to the Drug Court  
19 Program in the Office of Drug Control Policy, Justice Administration budget unit.

20       **(8) Kentucky Wood Products Competitiveness Corporation:** Notwithstanding  
21 KRS 42.4586, no funds shall be transferred to the Secondary Wood Products  
22 Development Fund.

23       **(9) Kentucky Workers' Compensation Funding Commission:**  
24 Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the  
25 Kentucky Workers' Compensation Funding Commission in fiscal year 2006-2007 and  
26 fiscal year 2007-2008.

27       **(10) Energy Research and Development Fund:** Notwithstanding KRS 42.4588,

1 \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-2008 shall be  
2 transferred from the Local Government Economic Development Fund to the Office of  
3 Energy Policy within the Commerce Cabinet as General Fund moneys. These funds shall  
4 be used for research projects relating to clean coal, new combustion technology, thin-  
5 seam coal extraction research, synthetic natural gas produced from coal through  
6 gasification processes, and the development of alternative transportation fuels produced  
7 by processes that convert coal or biomass resources or extract oil from oil shale and shall  
8 be targeted solely to Kentucky's Local Government Economic Development Fund-eligible  
9 counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's  
10 universities and related Kentucky Community and Technical College System programs in  
11 order to maximize Kentucky's opportunities for federal funding and receive research  
12 grants and awards from federal and other sources of funding for the development of clean  
13 coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and  
14 biomass energy resources.

15 **(11) School Facilities Construction Commission:** Notwithstanding KRS  
16 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties  
17 through the Local Government Economic Development Fund in fiscal year 2006-2007  
18 shall be made only after funds totaling \$4,617,900, and in fiscal year 2007-2008 shall be  
19 made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the  
20 School Facilities Construction Commission to provide debt service to support previously  
21 authorized bonds.

22 **(12) Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4592, the  
23 quarterly calculation of the allocation of moneys to coal-producing counties through the  
24 Local Government Economic Development Fund shall be made only after each quarterly  
25 installment of the annual appropriation of \$4,091,900 in fiscal year 2006-2007 and  
26 \$4,091,900 in fiscal year 2007-2008 is appropriated as General Fund moneys to the  
27 Finance and Administration Cabinet, Debt Service budget unit to provide General Fund



1 debt service to support previously authorized bonds for the Water and Sewer Resources  
2 Development Fund for Coal Producing Counties.

3 **(13) KIA Infrastructure for Economic Development Fund for Coal-Producing**  
4 **Counties:** Notwithstanding KRS 42.4588, funds totaling \$7,450,000 in fiscal year 2006-  
5 2007 and \$7,450,000 in fiscal year 2007-2008 shall be transferred from the Local  
6 Government Economic Development Fund, Multi-County Fund, to the General Fund to  
7 be used by the Finance and Administration Cabinet Debt Service budget unit to support  
8 previously authorized bonds for the Infrastructure for Economic Development Fund for  
9 Coal-Producing Counties, Bond Pool.

10 **(14) Debt Service:** All necessary debt service amounts shall be appropriated from  
11 the General Fund and shall be fully paid regardless of whether there are sufficient moneys  
12 available to be transferred from coal severance tax-supported funding program accounts  
13 to other accounts of the General Fund.

14 **(15) Flood Matching/State Owned Dam Repair Pool:** Notwithstanding KRS  
15 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties  
16 through the Local Government Economic Development Fund shall be made only after  
17 each quarterly installment of the annual appropriation of \$800,000 in fiscal year 2006-  
18 2007 and \$800,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to  
19 the Governor's Office for Local Development.

20 Notwithstanding KRS 42.4588, \$700,000 in fiscal year 2006-2007 and \$700,000 in  
21 fiscal year 2007-2008 shall be transferred from the Local Government Economic  
22 Development Fund, Multi-County Fund, to the Flood Matching/State Owned Dam Repair  
23 Pool within the Governor's Office for Local Development.

24 **(16) Osteopathic Medicine Scholarship Program:** The transfer of moneys from  
25 the General Fund to the Local Government Economic Development Fund shall be made  
26 after the transfer to the Osteopathic Medicine Scholarship Program has been made  
27 pursuant to KRS 164.7891(11) and (12) in the amount of \$1,024,300 in fiscal year 2006-

1 2007 and \$1,024,300 in fiscal year 2007-2008, within the Kentucky Higher Education  
2 Assistance Authority.

3 **(17) Operation Unite:** Notwithstanding KRS 42.4588, funds totaling \$1,250,000  
4 in fiscal year 2006-2007 and \$1,250,000 in fiscal year 2007-2008 shall be transferred  
5 from the Local Government Economic Development Fund, Multi-County Fund, to the  
6 Office of Drug Control Policy for Operation Unite in relation to the Federal Task Force  
7 on Drug Abuse.

8 **(18) Mining Engineering Scholarship Program:** Notwithstanding KRS 42.4592,  
9 the quarterly calculation of the allocation of moneys to coal-producing counties through  
10 the Local Government Economic Development Fund shall be made only after each  
11 quarterly installment of the annual appropriation of \$200,000 in fiscal year 2006-2007  
12 and \$200,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the  
13 University of Kentucky for the Mining Engineering Scholarship Program.

14 **(19) 404 Permitting Program:** Notwithstanding KRS 42.4588, \$300,000 in fiscal  
15 year 2006-2007 and \$300,000 in fiscal year 2007-2008 shall be transferred from the Local  
16 Government Economic Development Fund, Multi-County Fund, to the U.S. Clean Water  
17 Act section for 404 Permitting Program in the Environmental and Public Protection  
18 Cabinet, Division of Water. These funds will only be made available after the  
19 Commonwealth assumes primacy over the 404 Permitting Program.

20 **(20) School Technology:** Notwithstanding 42.4588, \$5,000,000 in fiscal year  
21 2006-2007 and \$5,000,000 in fiscal year 2007-2008 shall be transferred from the Local  
22 Government Economic Development Fund, Multi-County Fund, to the Office of  
23 Operations and Support Services within the Department of Education for school  
24 technology purposes.

25 **(21) Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local  
26 Government Economic Development Fund allocations may be used to support the  
27 nonrecurring investments in public health and safety, economic development, public

1 infrastructure, information technology development and access, and public water and  
 2 wastewater development, with the concurrence of both the respective fiscal court and the  
 3 Governor's Office for Local Development or the Kentucky Infrastructure Authority, as  
 4 appropriate.

5 **(22) Support of the 12 Multicounty Regional Industrial Park Authorities:**

6 Notwithstanding KRS 42.4588, funds totaling \$300,000 in fiscal year 2006-2007 and  
 7 \$300,000 in fiscal year 2007-2008 shall be transferred from the Local Government  
 8 Economic Development Fund, Multi-County Fund, to the Governor's Office for Local  
 9 Development to be distributed equally to the 12 multicounty regional industrial park  
 10 authorities located in coal counties to be used for marketing and maintenance of the  
 11 industrial parks and for procurement of property and casualty insurance on the parks.{  
 12 ~~The Cabinet for Economic Development is directed to evaluate the ongoing marketing,~~  
 13 ~~maintenance, and insurance needs of multicounty regional industrial parks and make~~  
 14 ~~necessary expenditures from the Multi County Fund to ensure viability of these~~  
 15 ~~parks.}(Veto #5)~~

16 **(23) Coal Severance Tax Receipts:** The appropriations of severance tax receipts  
 17 made in this Act shall not lapse but shall be carried forward at the end of each fiscal year.

18 **(24) Buckhorn Children's Home:** Notwithstanding KRS 42.4588, funds totaling  
 19 \$500,000 in fiscal year 2006-2007 shall be transferred from the Local Government  
 20 Economic Development Fund, Multi-County Fund, to the Governor's Office for Local  
 21 Development to be distributed as a grant to the Buckhorn Children's Home.

22 **(25) Infrastructure for Economic Development Fund for Coal Producing**  
 23 **Counties:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of  
 24 moneys to coal-producing counties through the Local Government Economic  
 25 Development Fund shall be made only after each quarterly installment of the annual  
 26 appropriation of \$1,164,000 in fiscal year 2007-2008 is appropriated as General Fund  
 27 moneys to the Kentucky Infrastructure Authority for debt service on \$100,000,000 Bond

1 Funds for the Infrastructure for Economic Development Fund for Coal-Producing  
2 Counties.

3 Notwithstanding KRS 42.4588, funds totaling \$8,148,000 in fiscal year 2007-2008  
4 shall be transferred from the Local Government Economic Development Fund, Multi-  
5 County Fund, to the Kentucky Infrastructure Authority for debt service on \$100,000,000  
6 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing  
7 Counties.

8 **(26) Industrial Park Priority:** Notwithstanding KRS 42.4588(2), any county that  
9 is providing at least \$1,000,000 from their Local Government Economic Development  
10 Fund, Single County Account for an industrial park project, shall be given higher priority  
11 when applying for Local Government Economic Development Fund, Multi-County Fund  
12 dollars for the same project.

13 **(27) Pharmacy Scholarship Fund:** Notwithstanding KRS 42.4582 and 42.4585,  
14 the quarterly calculation and transfer of the funds in fiscal year 2007-2008 shall be made  
15 only after each quarterly installment of the annual appropriation of \$1,000,000 has been  
16 credited to the Pharmacy Scholarship Fund within the Kentucky Higher Education  
17 Assistance Authority.

18 **(28) Kentucky Geological Survey:** Notwithstanding KRS 42.4588, funds totaling  
19 \$250,000 in fiscal year 2007-2008 shall be transferred from the Local Government  
20 Economic Development Fund, Multi-County Fund, to the University of Kentucky for the  
21 Kentucky Geological Survey.

22 2006-07 2007-08

23 **14. AREA DEVELOPMENT FUND**

24 809,700 809,700  
General Fund

25 **(1) Appropriation Limit:** Notwithstanding KRS 48.185, funds appropriated  
26 from the General Fund for the Area Development Fund shall be limited to these amounts.

27 **15. EXECUTIVE BRANCH ETHICS COMMISSION**

1		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
2	General Fund	62,400	435,000	444,000
3	Restricted Funds	-0-	1,500	1,500
4	TOTAL	62,400	436,500	445,500

5 **16. SECRETARY OF STATE**

6			<b>2006-07</b>	<b>2007-08</b>
7	General Fund		2,299,300	2,298,100
8	Restricted Funds		849,200	900,000
9	TOTAL		3,148,500	3,198,100

10 **(1) Carry Forward of Restricted Funds Appropriation Balance:**  
 11 Notwithstanding KRS 14.140(3), the above Restricted Funds appropriations shall not  
 12 lapse and shall be used for the continuation of current activities within the General  
 13 Administration unit and for the operations and staff of the Uniform Commercial Code  
 14 Branch.

15 **17. BOARD OF ELECTIONS**

16			<b>2006-07</b>	<b>2007-08</b>
17	General Fund		4,878,500	4,861,900
18	Restricted Funds		77,600	93,900
19	Federal Funds		10,000,000	5,628,500
20	TOTAL		14,956,100	10,584,300

21 **(1) Help America Vote Act of 2002:** Amounts above those appropriated that are  
 22 necessary to match Federal Funds from the Help America Vote Act shall be deemed a  
 23 necessary government expense and shall be paid from the General Fund Surplus Account  
 24 (KRS 48.700) or the Budget Reserve Trust Fund (KRS 48.705). Notwithstanding KRS  
 25 45.229, any unexpended balance from the General Fund appropriation necessary to match  
 26 Federal Funds shall not lapse and shall carry forward to fiscal year 2006-2007 and fiscal  
 27 year 2007-2008.

1       **(2) Cost of Elections:** Included in the above General Fund appropriation is  
 2       \$3,280,900 in fiscal year 2006-2007 and \$3,291,100 in fiscal year 2007-2008 to pay the  
 3       state's share of county election expenses (KRS 117.345) and the state's share of voter  
 4       registration expenses (KRS 116.112(7), 116.145, and 117.343). Notwithstanding KRS  
 5       117.345(2), the maximum state payment rate is increased from the current statutory level  
 6       of \$255 to \$300 per precinct per election to each precinct using voting machines. Any  
 7       amount that the state is required to pay for precinct election expenses under the  
 8       provisions of KRS 116.112(7), 116.145, 117.343, and 117.345 shall be deemed necessary  
 9       government expenses and shall be paid from the General Fund Surplus Account (KRS  
 10       48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

# 11       **18. REGISTRY OF ELECTION FINANCE**

12		<b>2006-07</b>	<b>2007-08</b>
13	General Fund	1,547,100	1,571,700

# 14       **19. ATTORNEY GENERAL**

15		<b>2006-07</b>	<b>2007-08</b>
16	General Fund	14,276,500	14,113,100
17	Restricted Funds	9,167,300	9,109,100
18	Federal Funds	2,437,000	2,531,500
19	TOTAL	25,880,800	25,753,700

20       **(1) Expert Witnesses:** In addition to such funds as may be appropriated, the  
 21       Office of the Attorney General may request from the Finance and Administration Cabinet,  
 22       as a necessary government expense, such funds as may be necessary for expert witnesses.  
 23       Upon justification of the request, the Finance and Administration Cabinet shall provide  
 24       up to \$275,000 for the 2006-2008 fiscal biennium for this purpose to the Office of the  
 25       Attorney General. The Office of Insurance shall provide the Office of the Attorney  
 26       General any available information to assist in the preparation of a rate hearing pursuant to  
 27       KRS 304.17A-095.

1           **(2) Annual and Sick Leave Service Credit:** Notwithstanding any statutory or  
 2 regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial  
 3 System who has been appointed to a permanent full-time position under KRS Chapter  
 4 18A shall be credited annual and sick leave based on service credited under the Kentucky  
 5 Retirement Systems solely for the purpose of computation of sick and annual leave. This  
 6 provision shall only apply to any new appointment or current employee as of July 1,  
 7 1998.

8           **(3) Legal Services Contracts:** The Office of the Attorney General may present  
 9 proposals to state agencies specifying legal work that is presently accomplished through  
 10 Personal Service Contracts that indicate the Office of the Attorney General's capacity to  
 11 perform the work at a lesser cost. State agencies may agree to make arrangements with  
 12 the Office of the Attorney General to perform the legal work and compensate the Office  
 13 of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the  
 14 Office of the Attorney General may contract with outside law firms on a contingency  
 15 basis.

16           **(4) Child Sexual Abuse License Plate Revenue:** Notwithstanding KRS 186.162,  
 17 the Transportation Cabinet shall review the costs related to the distribution of child  
 18 victims' license plates. Any revenue received from the sale or renewal of those plates in  
 19 excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual  
 20 basis.

## 21   **20. UNIFIED PROSECUTORIAL SYSTEM**

22           **(1) Prosecutors Advisory Council Administrative Functions:** The Prosecutors  
 23 Advisory Council shall approve compensation for employees of the Unified Prosecutorial  
 24 System subject to the appropriations in this Act.

### 25           **a. Commonwealth's Attorneys**

26		<b>2006-07</b>	<b>2007-08</b>
27	General Fund	31,752,200	32,558,100

1	Restricted Funds	234,000	249,900
2	Federal Funds	179,700	186,500
3	TOTAL	32,165,900	32,994,500

4       **b. County Attorneys**

5		<b>2006-07</b>	<b>2007-08</b>
6	General Fund	26,875,000	27,752,300
7	Restricted Funds	23,000	23,500
8	Federal Funds	472,700	502,000
9	TOTAL	27,370,700	28,277,800

10   **TOTAL - UNIFIED PROSECUTORIAL SYSTEM**

11		<b>2006-07</b>	<b>2007-08</b>
12	General Fund	58,627,200	60,310,400
13	Restricted Funds	257,000	273,400
14	Federal Funds	652,400	688,500
15	TOTAL	59,536,600	61,272,300

16   **21. TREASURY**

17		<b>2006-07</b>	<b>2007-08</b>
18	General Fund	2,171,300	2,210,400
19	Restricted Funds	744,500	753,100
20	Road Fund	250,000	250,000
21	TOTAL	3,165,800	3,213,500

22       **(1) Unclaimed Property Fund:** Included in the above Restricted Funds  
 23 appropriation is a recurring transfer from the Unclaimed Property Fund. In each  
 24 respective fiscal year of the 2006-2008 fiscal biennium, \$744,500 and \$753,100 is  
 25 appropriated to provide funding for services performed by the Unclaimed Property  
 26 Division of the Department of the Treasury.

27   **22. AGRICULTURE**



1		<b>2006-07</b>	<b>2007-08</b>
2	General Fund	19,803,100	21,529,700
3	Restricted Funds	4,937,200	4,548,900
4	Federal Funds	3,947,400	3,889,200
5	TOTAL	28,687,700	29,967,800

6       **(1) Breathitt Veterinary Center and Diagnostic Laboratories:** Included in the  
7 above General Fund appropriation is \$478,500 in fiscal year 2006-2007 and \$478,500 in  
8 fiscal year 2007-2008 for the Breathitt Veterinary Center at Murray State University and  
9 \$478,500 in fiscal year 2006-2007 and \$478,500 in fiscal year 2007-2008 for the  
10 University of Kentucky for the diagnostic laboratories.

11       **(2) Enforcement of Tobacco Product Sale Restrictions:** Included in the above  
12 General Fund appropriation is \$260,000 in fiscal year 2006-2007 and \$260,000 in fiscal  
13 year 2007-2008 to carry out the provisions of KRS 438.335.

14       **(3) Purchase of Agricultural Conservation Easement (PACE) Program:** The  
15 PACE board may contract directly with land surveyors, real estate appraisers, and other  
16 licensed professionals as necessary. The Department of Agriculture may receive funds  
17 from local and private sources to match Federal Funds for the Purchase of Agricultural  
18 Conservation Easement (PACE) Program.

19       **(4) Metrology Lab Operating Fees:** The Department of Agriculture may  
20 promulgate administrative regulations establishing license fees, testing fees, and any other  
21 fees necessary to operate and maintain a metrology lab in the Department of Agriculture.  
22 These Restricted Funds receipts shall be utilized for personnel and operations of the  
23 metrology lab.

24       **(5) County Fair Grants:** Included in the above General Fund appropriation is  
25 \$495,000 in fiscal year 2006-2007 and \$495,000 in fiscal year 2007-2008 to support the  
26 capital improvement grants to the Local Agricultural Fair Program.

27       ~~**{(6) Debt Service:** Included in the above General Fund appropriation is \$462,000~~

1 ~~in fiscal year 2007-2008 for debt service to support new bonds for Animal Shelters as set~~  
 2 ~~forth in Part II, Capital Projects Budget, of this Act.] (Veto #4)~~

3 **23. AUDITOR OF PUBLIC ACCOUNTS**

4		<b>2006-07</b>	<b>2007-08</b>
5	General Fund	5,829,900	5,828,300
6	Restricted Funds	3,297,500	3,297,500
7	TOTAL	9,127,400	9,125,800

8 **(1) Auditor's Scholarships:** Notwithstanding KRS 43.200, no funding is  
 9 provided for Auditor's scholarships.

10 **(2) Audit Services Contracts:** No state agency shall enter into any contract with  
 11 a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined  
 12 in writing to perform the audit or has failed to respond within 30 days of receipt of a  
 13 written request. The agency requesting the audit shall furnish the Auditor of Public  
 14 Accounts a comprehensive statement of the scope and nature of the proposed audit.

15 **(3) Audit Records and Status Reports:** The Auditor of Public Accounts shall  
 16 report in writing each 60 days to the Interim Joint Committee on Appropriations and  
 17 Revenue the progress of all state audits, together with copies of all completed audits. The  
 18 Auditor of Public Accounts shall maintain a record of all time and expenses for each  
 19 audit or investigation.

20 **(4) Compensatory Leave Conversion to Sick Leave:** If the Auditor of Public  
 21 Accounts determines that internal budgetary pressures warrant further austerity measures,  
 22 the State Auditor may institute a policy to suspend payment of 50 hour blocks of  
 23 compensatory time for those auditors who have accumulated 240 hours of compensatory  
 24 time and instead to convert those hours to sick leave.

25 **(5) Auditor Salary Equity:** Included in the above General Fund appropriation  
 26 are funds to provide an increase to each merit classified auditor within the Auditor of  
 27 Public Accounts office to be added to the eligible employee's base salary effective July 1,

1 2006. The Secretary of the Personnel Cabinet shall take such action to develop a revised  
 2 classification and salary compensation schedule to implement this provision in  
 3 consultation with the Auditor of Public Accounts to be effective by July 1, 2006. This  
 4 salary increase shall be in addition to any salary increase provided to state employees  
 5 included in this Act.

6 **24. PERSONNEL BOARD**

7		2005-06	2006-07	2007-08
8	General Fund	38,600	-0-	-0-
9	Restricted Funds	-0-	754,500	767,100
10	TOTAL	38,600	754,500	767,100

11 **(1) Personnel Board Operating Assessment:** Each agency of the Executive  
 12 Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year  
 13 the amount required for the operation of the Personnel Board, as appropriated above. The  
 14 agency assessment shall be determined by the Secretary of the Finance and  
 15 Administration Cabinet based on the authorized full-time positions of each agency on  
 16 July 1 each year of the biennium. The Secretary of the Finance and Administration  
 17 Cabinet shall collect the assessment and allot these Restricted Funds for the routine  
 18 operations of the Personnel Board. Notwithstanding KRS 45.229, any Restricted Funds  
 19 generated by this assessment not spent in fiscal year 2006-2007 shall not lapse but shall  
 20 be carried forward to the next fiscal year and utilized for the routine operations of the  
 21 Personnel Board.

22 **(2) Special Assessment:** As a result of increased workload or for other reasons in  
 23 the best interest of the State Merit System, the Chairman of the Personnel Board may  
 24 request a special assessment to adequately provide for the financial needs and operation  
 25 of the Personnel Board. Any special assessment for Personnel Board operations shall  
 26 receive the prior approval of the State Budget Director and the Secretary of the Finance  
 27 and Administration Cabinet. Should any special assessment be approved, it shall be

1 uniformly implemented in accordance with the same procedures as the regular Personnel  
 2 Board Operating Assessment.

3 **25. KENTUCKY RETIREMENT SYSTEMS**

	2005-06	2006-07	2007-08
5           Restricted Funds	1,235,000	22,580,700	24,253,100

6           **(1) Dependent Subsidy for Retirees - Kentucky Employee Retirement**  
 7 **System:** From July 1, 2006, through December 31, 2007, in addition to the benefits  
 8 conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance  
 9 shall also be eligible for the dependent subsidy as provided under the terms established by  
 10 the State Group Health Insurance Program. The dependent subsidy conferred to recipients  
 11 of a nonhazardous monthly retirement allowance shall not be considered as a benefit  
 12 protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852.

13           **(2) Dependent Subsidy for Retirees - County Employees Retirement System:**  
 14 From July 1, 2006, through December 31, 2007, in addition to the benefits conferred  
 15 under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also  
 16 be eligible for the dependent subsidy as provided under the terms established by the State  
 17 Group Health Insurance Program. The dependent subsidy conferred to recipients of a  
 18 nonhazardous monthly retirement allowance shall not be considered as a benefit  
 19 protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852.

20 **26. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

21           **a. Accountancy**

	2006-07	2007-08
23           Restricted Funds	617,600	619,200

24           **b. Certification of Alcohol and Drug Counselors**

	2006-07	2007-08
26           Restricted Funds	67,200	67,200

27           **c. Architects**

1		<b>2006-07</b>	<b>2007-08</b>
2	Restricted Funds	356,600	362,800
3	<b>d. Certification for Professional Art Therapists</b>		
4		<b>2006-07</b>	<b>2007-08</b>
5	Restricted Funds	11,400	11,400
6	<b>e. Auctioneers</b>		
7		<b>2006-07</b>	<b>2007-08</b>
8	Restricted Funds	405,500	412,700
9	<b>f. Barbering</b>		
10		<b>2006-07</b>	<b>2007-08</b>
11	Restricted Funds	247,400	249,400
12	<b>g. Chiropractic Examiners</b>		
13		<b>2006-07</b>	<b>2007-08</b>
14	Restricted Funds	203,900	211,100
15	<b>h. Dentistry</b>		
16		<b>2006-07</b>	<b>2007-08</b>
17	Restricted Funds	639,800	641,800
18	<b>i. Licensure and Certification for Dietitians and Nutritionists</b>		
19		<b>2006-07</b>	<b>2007-08</b>
20	Restricted Funds	77,500	77,500
21	<b>j. Embalmers and Funeral Directors</b>		
22		<b>2006-07</b>	<b>2007-08</b>
23	Restricted Funds	259,400	262,800

24 **(1) Military Burial Honor Guard Program:** Pursuant to KRS 36.390, the  
 25 Department of Military Affairs shall coordinate with the Department of Veterans' Affairs  
 26 and the Board of Embalmers and Funeral Directors on the implementation of the Military  
 27 Burial Honor Guard Program. The Board of Embalmers and Funeral Directors shall mail

1 program notification letters to all licensed embalmers and funeral directors with  
 2 information related to program description and contacts for the Military Burial Honor  
 3 Guard Program. These letters shall be mailed with the annual renewal notifications prior  
 4 to July 1 each year. New applicants will receive their notification of the program at the  
 5 time of licensing. The Board of Embalmers and Funeral Directors shall establish a section  
 6 on the Board's Web site pertaining to the Military Burial Honor Guard Program. The  
 7 Department of Military Affairs and the Department of Veterans' Affairs shall report to the  
 8 Interim Joint Committee on Seniors, Veterans, Military Affairs, and Public Protection  
 9 prior to January 1, 2007, on the implementation of the Military Burial Honor Guard  
 10 Program. The report shall include recommendations on organizational related matters,  
 11 training and continuing education needs, equipment requirements for organizations  
 12 performing or coordinating the honors ceremonies, and the expenditure of funds.

13 **k. Licensure for Professional Engineers and Land Surveyors**

	<b>2006-07</b>	<b>2007-08</b>
Restricted Funds	1,398,400	1,411,400

16 **l. Certification of Fee-Based Pastoral Counselors**

	<b>2006-07</b>	<b>2007-08</b>
Restricted Funds	3,500	3,500

19 **m. Registration for Professional Geologists**

	<b>2006-07</b>	<b>2007-08</b>
Restricted Funds	135,000	135,000

22 **n. Hairdressers and Cosmetologists**

	<b>2006-07</b>	<b>2007-08</b>
Restricted Funds	1,043,000	1,074,100

25 **o. Specialists in Hearing Instruments**

	<b>2006-07</b>	<b>2007-08</b>
Restricted Funds	55,200	55,200

1	<b>p. Interpreters for the Deaf and Hard of Hearing</b>		
2		<b>2006-07</b>	<b>2007-08</b>
3	Restricted Funds	31,000	31,000
4	<b>q. Examiners and Registration of Landscape Architects</b>		
5		<b>2006-07</b>	<b>2007-08</b>
6	Restricted Funds	53,000	53,200
7	<b>r. Licensure of Marriage and Family Therapists</b>		
8		<b>2006-07</b>	<b>2007-08</b>
9	Restricted Funds	83,200	83,200
10	<b>s. Licensure for Massage Therapy</b>		
11		<b>2006-07</b>	<b>2007-08</b>
12	Restricted Funds	62,800	62,800
13	<b>t. Medical Licensure</b>		
14		<b>2006-07</b>	<b>2007-08</b>
15	Restricted Funds	2,408,200	2,427,400
16	<b>u. Nursing</b>		
17		<b>2006-07</b>	<b>2007-08</b>
18	Restricted Funds	4,656,900	4,760,600
19	<b>v. Licensure for Nursing Home Administrators</b>		
20		<b>2006-07</b>	<b>2007-08</b>
21	Restricted Funds	76,200	76,200
22	<b>w. Licensure for Occupational Therapy</b>		
23		<b>2006-07</b>	<b>2007-08</b>
24	Restricted Funds	86,000	86,000
25	<b>x. Ophthalmic Dispensers</b>		
26		<b>2006-07</b>	<b>2007-08</b>
27	Restricted Funds	62,900	62,900

1	<b>y. Optometric Examiners</b>		
2		<b>2006-07</b>	<b>2007-08</b>
3	Restricted Funds	167,200	166,400
4	<b>z. Pharmacy</b>		
5		<b>2006-07</b>	<b>2007-08</b>
6	Restricted Funds	1,037,200	1,045,000
7	<b>aa. Physical Therapy</b>		
8		<b>2006-07</b>	<b>2007-08</b>
9	Restricted Funds	264,700	264,700
10	<b>ab. Podiatry</b>		
11		<b>2006-07</b>	<b>2007-08</b>
12	Restricted Funds	21,700	21,700
13	<b>ac. Private Investigators</b>		
14		<b>2006-07</b>	<b>2007-08</b>
15	Restricted Funds	64,200	64,200
16	<b>ad. Licensed Professional Counselors</b>		
17		<b>2006-07</b>	<b>2007-08</b>
18	Restricted Funds	56,200	56,200
19	<b>ae. Proprietary Education</b>		
20		<b>2006-07</b>	<b>2007-08</b>
21	Restricted Funds	164,300	164,300
22	<b>af. Examiners of Psychology</b>		
23		<b>2006-07</b>	<b>2007-08</b>
24	Restricted Funds	176,100	176,100
25	<b>ag. Real Estate Appraisers</b>		
26		<b>2006-07</b>	<b>2007-08</b>
27	Restricted Funds	602,700	604,200



1	<b>ah. Real Estate Commission</b>			
2			<b>2006-07</b>	<b>2007-08</b>
3	Restricted Funds		2,744,300	2,666,600
4	<b>ai. Respiratory Care</b>			
5			<b>2006-07</b>	<b>2007-08</b>
6	Restricted Funds		127,100	127,100
7	<b>aj. Social Work</b>			
8			<b>2006-07</b>	<b>2007-08</b>
9	Restricted Funds		145,300	145,300
10	<b>ak. Speech-Language Pathology and Audiology</b>			
11			<b>2006-07</b>	<b>2007-08</b>
12	Restricted Funds		92,000	92,000
13	<b>al. Veterinary Examiners</b>			
14			<b>2006-07</b>	<b>2007-08</b>
15	Restricted Funds		237,800	237,800
16	<b>TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND</b>			
17	<b>COMMISSIONS</b>			
18			<b>2006-07</b>	<b>2007-08</b>
19	Restricted Funds		18,942,400	19,070,000
20	<b>27. EMERGENCY MEDICAL SERVICES</b>			
21		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
22	General Fund	-0-	2,393,700	2,373,800
23	Restricted Funds	40,000	401,300	422,700
24	Federal Funds	-0-	155,000	155,000
25	TOTAL	40,000	2,950,000	2,951,500
26	<b>28. KENTUCKY RIVER AUTHORITY</b>			
27			<b>2006-07</b>	<b>2007-08</b>

1	General Fund	368,200	1,978,800
2	Restricted Funds	5,436,600	4,414,800
3	TOTAL	5,804,800	6,393,600

4       **(1) Water Withdrawal Fees:** The water withdrawal fees imposed by the  
5 Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding  
6 that portion of the provision of KRS 151.710(10) that directs the Finance and  
7 Administration Cabinet to provide administrative services for the Kentucky River  
8 Authority, Tier I water withdrawal fees shall be used to support the operations of the  
9 Authority and for contractual services for water supply and quality studies.

10       **(2) Debt Service - Kentucky River Locks and Dams Maintenance and**  
11 **Renovations Pool:** Included in the above ~~General Fund appropriation is \$1,630,000 in~~  
12 ~~fiscal year 2007-2008 for debt service on \$17,500,000 in Bond Funds, and in the~~ (Veto  
13 #4) Restricted Funds appropriation \$3,092,000 in fiscal year 2007-2008 for debt service  
14 on \$33,200,000 in Agency Bond Funds for the Kentucky River Locks and Dams  
15 Maintenance and Renovations Pool, as set forth in Part II, Capital Projects Budget, of this  
16 Act. The Agency Bonds may be issued by the State Property and Buildings Commission  
17 or the Kentucky Asset Liability Commission.

## 18       **29. SCHOOL FACILITIES CONSTRUCTION COMMISSION**

19		<b>2006-07</b>	<b>2007-08</b>
20	General Fund	107,589,000	117,974,500

21       **(1) Debt Service:** Included in the above General Fund appropriation is  
22 \$1,688,000 in fiscal year 2006-2007 and \$8,439,000 in fiscal year 2007-2008 for debt  
23 service on \$150,000,000 in bonds as set forth in Part II, Capital Projects Budget, of this  
24 Act.

25       **(2) Growth Nickel Levy:** The Facilities Support Program of Kentucky is fully  
26 funded in the 2006-2008 fiscal biennium. Notwithstanding KRS 157.621(3), local school  
27 districts may exercise authority expressed in KRS 157.621(1) and (2).

1       **(3) School Facility Revenue:** A local board of education may commit an  
2       equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS  
3       157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities,  
4       or major renovations of existing school facilities. The tax rate levied by the local board of  
5       education under this provision shall be made no later than October 1 of each odd-  
6       numbered year and shall not be equalized with state funding. The levy shall be subject to  
7       recall.

8       **(4) Urgent Need School Trust Fund:** The Urgent Need School Trust Fund is  
9       established in the Finance and Administration Cabinet for the purpose of assisting school  
10      districts that have urgent and critical construction needs. The Urgent Need School Trust  
11      Fund shall be administered by the School Facilities Construction Commission. The fund  
12      may receive state appropriations, contributions, and grants from any source which shall  
13      be credited to the trust fund and invested until needed. All interest earned on the fund  
14      shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund  
15      shall not lapse, but shall carry forward at the end of each fiscal year.

16      The Secretary of the Finance and Administration Cabinet, the Commissioner of  
17      Education, and the Executive Director of the School Facilities Construction Commission  
18      shall jointly establish an Urgent Need School Trust Fund Advisory Committee to develop  
19      guidelines for the distribution of funds and to advise the School Facilities Construction  
20      Commission on the distribution of funds from this trust fund. Funds may be distributed to  
21      local school districts to address anomalies in the existing school construction funding  
22      formulas as direct grants, loans, matching funds, additional offers of assistance to address  
23      districts' unmet needs, or as equalization funds in situations where school districts have  
24      levied additional taxes for school construction purposes. The guidelines developed for  
25      distribution of funds from this trust fund shall be developed and presented to the Interim  
26      Joint Committee on Appropriations and Revenue and the Interim Joint Committee on  
27      Education no later than September 31, 2006. Area Vocational Centers shall be eligible to

1 participate in the Urgent Need School Trust Fund. Included in the above appropriation is  
 2 \$5,000,000 in fiscal year 2007-2008 for the Urgent Need School Trust Fund that may be  
 3 distributed after July 1, 2007. In addition, funds authorized in subsections (1) and (6) of  
 4 this section may be distributed to local school districts based on the guidelines developed  
 5 by the Urgent Need School Trust Fund Advisory Committee after July 1, 2007.

6 **(5) Offers of Assistance:** Notwithstanding KRS 157.622, a local school district  
 7 may accumulate credit, subject to the availability of funds, for its unused state allocation  
 8 for a period not to exceed eight years.

9 **(6) Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.640,  
 10 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is  
 11 authorized to make an additional \$100,000,000 in offers of assistance during the 2006-  
 12 2008 biennium in anticipation of debt service availability during the 2008-2010  
 13 biennium. No bonded indebtedness based on the above amount is to be incurred during  
 14 the 2006-2008 biennium.

15 ~~[(7) **Debt Service:** Notwithstanding KRS 45.229, moneys appropriated for debt~~  
 16 ~~service shall not lapse but shall be credited to the Urgent Need School Trust Fund.]~~ (Veto  
 17 #6)

18 **(8) Administrative Costs:** The School Facilities Construction Commission may  
 19 utilize up to \$300,000 in each fiscal year of the 2006-2008 biennium for administrative  
 20 purposes.

21 **(9) School Facilities Evaluation:** The Kentucky Department of Education, in  
 22 partnership with the School Facilities Construction Commission, shall conduct a  
 23 comprehensive evaluation of the current facilities planning process, the process for  
 24 categorizing schools for planning and funding purposes, major plant maintenance  
 25 planning and implementation, the process used to determine unmet school facility needs,  
 26 and the degree of equity in the distribution of state capital funds. The department shall  
 27 involve local superintendents, finance officers, facility managers and other local school

1 personnel, consultants who are knowledgeable in school facilities planning and  
2 construction, and others as deemed appropriate.

3 The evaluation shall consider:

4 (a) The feasibility of adding weights for special needs or situations, including but  
5 not limited to student growth, inadequate classroom space, student accommodations,  
6 health and safety needs, compliance with the Americans with Disabilities Act, school  
7 district size, and overall building condition as certified by the Department of Education,  
8 in the calculation of unmet needs;

9 (b) The adequacy of long-range planning for plant maintenance, procedures for  
10 improving long-range planning, and the appropriate level of monitoring by local and state  
11 officials;

12 (c) Measurable, objective criteria for categorizing schools for local planning  
13 purposes and for the distribution of state capital funds;

14 (d) A waiver system to accommodate special facility needs;

15 (e) The level of technical assistance and training that is necessary to ensure that  
16 local school district personnel are knowledgeable of the facility planning process, capital  
17 construction funding mechanisms, and long-range planning and examine the most  
18 effective methods for providing technical assistance and training; and

19 (f) A detailed review of all capital funding sources, and a study of local effort, to  
20 include an examination of the individual and cumulative effect of multiple funding  
21 sources on the equitable distribution of state capital construction funds and the effects of  
22 permitting individual school districts to levy additional taxes for construction purposes  
23 based on special or unique circumstances in that school district.

24 Notwithstanding KRS 157.622, the School Facilities Construction Commission, in  
25 cooperation with the Urgent Need School Trust Fund Advisory Committee, shall  
26 incorporate the findings and recommendations of this evaluation in determining the 2006  
27 Offers of Assistance to local school districts. The School Facilities Construction

1 Commission is authorized to make the 2006 Offers of Assistance prior to completion of  
2 this evaluation if sufficient data and other information is available.

3 A preliminary report shall be made to the Interim Joint Committee on  
4 Appropriations and Revenue no later than September 15, 2006, and a final report,  
5 including recommendations for regulatory or statutory change, shall be made no later than  
6 September 30, 2006.

7 **(10) Use of Local District Capital Outlay Funds:** Notwithstanding KRS  
8 157.420(4) and (6), a local district may submit a request to the Commissioner of  
9 Education to use capital outlay funds for maintenance expenditures or for the purchase of  
10 property insurance in fiscal year 2006-2007 and fiscal year 2007-2008 without forfeiture  
11 of the district's participation in the School Facilities Construction Commission Program.

### 12 **30. TEACHERS' RETIREMENT SYSTEM**

13		<b>2006-07</b>	<b>2007-08</b>
14	General Fund	157,326,100	183,323,100
15	Restricted Funds	9,409,300	10,361,500
16	TOTAL	166,735,400	193,684,600

17 **(1) State Retirement Obligations:** Notwithstanding KRS 161.550, General Fund  
18 moneys are appropriated to comply with the obligations of the state under the Teachers'  
19 Retirement System statutes as provided in KRS 161.220 to 161.716.

20 **(2) Administrative Costs:** In accordance with KRS 161.420, in each fiscal year  
21 an amount not greater than four percent of the receipts of the state accumulation fund  
22 shall be set aside into the expense fund or expended for the administration of the  
23 retirement system. No General Fund moneys are provided in fiscal year 2006-2007 or  
24 fiscal year 2007-2008 for the cost of administration.

25 **(3) Amortization of Sick Leave:** Included in the above General Fund  
26 appropriation is \$4,293,800 in fiscal year 2006-2007 and \$9,211,000 in fiscal year 2007-  
27 2008 to provide the cost of amortizing the requirements of KRS 161.155 (sick leave) for

1 members retiring during the 2006-2008 fiscal biennium.

2       **(4) Cost-of-Living Increase for Retirees:** Included in the above General Fund  
3 appropriation is \$4,312,800 in fiscal year 2006-2007 and \$7,865,100 in fiscal year 2007-  
4 2008 to provide, when combined with the annual one and one-half percent retirement  
5 allowance increase as provided for under KRS 161.620, a total increase in retirement  
6 allowances of eligible system members and beneficiaries of two and three-tenths percent  
7 in fiscal year 2006-2007 and an additional two and one-tenths in fiscal year 2007-2008.

8       **(5) Supplemental Health Insurance Funding:** Notwithstanding KRS  
9 161.675(4)(a) included in the above General Fund appropriation is \$50,000 in each fiscal  
10 year to enable the retirement system to provide a subsidy from July 1, 2006, through  
11 December 31, 2007, for those retired state members over age 65 that insure their spouses  
12 under age 65 through the state health insurance plan. The amount of the subsidy for those  
13 over age 65 shall not exceed the amount of the subsidy for members under age 65 that  
14 choose couple, family, or parent plus coverage. The spousal subsidy is not subject to KRS  
15 161.714.

16       **(6) State Medical Insurance Fund Stabilization Contribution:**  
17 Notwithstanding KRS 161.420 and 161.550, a portion of the state employer contribution  
18 in a sufficient amount shall be allocated to the Teachers' Retirement System Medical  
19 Insurance Fund instead of the State Accumulation Fund. Also included in the above  
20 General Fund appropriation is \$14,133,200 in fiscal year 2007-2008 to amortize the cost  
21 of the State Medical Insurance Fund Stabilization Contribution with the remainder to be  
22 amortized under the schedule set forth in KRS 161.553.

23       **(7) Dependent Subsidy for Retirees under age 65:** Notwithstanding KRS  
24 161.675(4)(a), from July 1, 2006, through December 31, 2007, for all retirees under the  
25 age of 65 who participate in the Kentucky Group Health Insurance Program through the  
26 Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System shall  
27 pay the same dependent subsidy that Executive Branch agencies pay for their active

1 employees who have similar coverage. The dependent subsidy is not subject to KRS  
2 161.714.

3 **(8) Ad Hoc State Contribution:** Included in the above General Fund  
4 appropriation is \$12,974,100 in fiscal year 2006-2007 and \$29,444,100 in fiscal year  
5 2007-2008 for an ad hoc contribution to the State Accumulation Fund.

6 **(9) Highly Skilled Educators' Retirement Benefits:** Salary supplements  
7 received by persons selected as highly skilled educators on or after July 1, 2000, shall not  
8 be included in the total salary compensation for any retirement benefits to which the  
9 employee may be entitled.

## 10 **31. JUDGMENTS**

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
General Fund	-0-	-0-	-0-

13 **(1) Payment of Judgments and Carry Forward of General Fund**  
14 **Appropriation Balance:** The above appropriation is for the payment of judgments as  
15 may be rendered against the Commonwealth by courts and orders of the State Personnel  
16 Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and  
17 for the payment of medical malpractice judgments against the University of Kentucky and  
18 the University of Louisville in accordance with KRS 164.892 and 164.941.  
19 Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at  
20 the end of fiscal year 2005-2006 or fiscal year 2006-2007 shall not lapse but shall be  
21 carried forward.

## 22 **32. APPROPRIATIONS NOT OTHERWISE CLASSIFIED**

	<b>2006-07</b>	<b>2007-08</b>
General Fund	3,917,500	3,917,500

25 **(1) Funding Sources for Appropriations Not Otherwise Classified:** Funds  
26 required to pay the costs of items included within the Appropriations Not Otherwise  
27 Classified are appropriated, and any required expenditure over the above amounts is to be



1 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any  
 2 available balance in either the Judgments budget unit appropriation or the Budget Reserve  
 3 Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in  
 4 this Act.

5 The above appropriation is for the payment of Attorney General Expense, Board of  
 6 Claims Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded,  
 7 Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery,  
 8 Police Officers and Firefighters Survivor Benefits, Medical Malpractice Liability  
 9 Insurance Reimbursement, and Blanket Employee Bonds.

10 **(2) Repayment of Awards or Judgments:** Funds are appropriated from the  
 11 General Fund for the repayment of awards or judgments made by the Board of Claims  
 12 against departments, boards, commissions, and other agencies maintained by  
 13 appropriations out of the General Fund. However, awards under \$5,000 shall be paid  
 14 from funds available for the operations of the agency.

15 **(3) Guardian Ad Litem Fees:** Included in the above appropriation is funding for  
 16 fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732.  
 17 The fee shall be fixed by the court and shall not exceed \$500.

18 **(4) Reissuance of Uncashed Checks:** Checks written by the State Treasurer and  
 19 not cashed within the statutory period may be presented to the State Treasurer for  
 20 reissuance in accordance with KRS 41.370.

21 **(5) Police Officer and Firefighter Survivor Benefits:** Funds are appropriated  
 22 for payment of benefits for state and local police officers and firefighters in accordance  
 23 with KRS 61.315 and 95A.070.

24 **TOTAL - GENERAL GOVERNMENT**

25		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
26	General Fund (Tobacco)	-0-	17,469,800	20,065,100
27	General Fund	101,000	550,266,300	618,517,500

1	Restricted Funds	1,275,000	131,392,600	132,843,000
2	Federal Funds	126,100	225,524,800	221,595,900
3	Road Fund	-0-	600,000	600,000
4	TOTAL	1,502,100	925,253,500	993,621,500

## 5 **B. COMMERCE CABINET**

### 6 **Budget Units**

#### 7 **1. SECRETARY**

8		<b>2006-07</b>	<b>2007-08</b>
9	General Fund	3,089,100	3,114,000
10	Restricted Funds	1,046,200	1,062,900
11	TOTAL	4,135,300	4,176,900

12 **(1) Outdoor Drama Grants:** Included in the above General Fund appropriation  
 13 is \$371,000 in each fiscal year for the purpose of supporting the following grants:  
 14 Someday Outdoor Drama, \$20,000 in each fiscal year; Stephen Foster, \$81,000 in each  
 15 fiscal year; Pioneer School of Drama, \$28,500 in each fiscal year; Music Theater of  
 16 Louisville, \$9,000 in each fiscal year; Pine Knob Theater, \$29,500 in each fiscal year;  
 17 Kincaid Regional Theater, \$27,500 in each fiscal year; Twilight Cabaret, \$9,000 in each  
 18 fiscal year; Horse Cave Theater, \$26,000 in each fiscal year; Jenny Wiley, \$39,500 in  
 19 each fiscal year; Indian Fort Drama of Berea, \$25,000 in each fiscal year; Fort Harrod  
 20 Drama Productions, \$41,000 in each fiscal year, Greenbo Lake State Resort Park,  
 21 \$10,000 in each fiscal year; and Russell County Ruscotown Players Production, \$25,000  
 22 in each fiscal year.

#### 23 **2. ARTISANS CENTER**

24		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
25	General Fund	-0-	156,200	156,200
26	Restricted Funds	125,800	2,169,000	2,193,400
27	TOTAL	125,800	2,325,200	2,349,600

### 3. ENERGY POLICY

	2005-06	2006-07	2007-08
General Fund	-0-	2,341,500	2,341,500
Restricted Funds	89,600	5,400,000	5,400,000
Federal Funds	-0-	2,382,800	2,382,800
<b>TOTAL</b>	89,600	10,124,300	10,124,300

(1) **Energy Research and Development:** Included in the above Restricted Funds appropriation is \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-2008 which shall be used for research projects relating to clean coal, new combustion technology, thin-seam coal extraction research, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources.

### 4. TOURISM

	2006-07	2007-08
General Fund	7,130,500	7,176,500
Restricted Funds	8,700,000	9,200,000
<b>TOTAL</b>	15,830,500	16,376,500

(1) **Tourism Marketing and Development:** Included in the above Restricted Funds appropriation is \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 for Tourism Marketing and Development on behalf of the coal-producing

1 counties. Fees for professional artists and entertainers performing on the Kentucky Music  
2 Trail may be paid from the Tourism Marketing Program.

3 **(2) Bluegrass State Games:** Included in the above General Fund appropriation is  
4 \$50,000 in each fiscal year for the Bluegrass State Games.

## 5 **5. PARKS**

	2006-07	2007-08
6 General Fund	27,978,400	31,145,400
7 Restricted Funds	55,217,700	56,335,600
8 TOTAL	83,196,100	87,481,000

10 **(1) Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS  
11 148.810, the General Assembly authorizes the use of the Park Capital Maintenance and  
12 Renovation Fund for any ongoing cost of the Department of Parks.

13 ~~{(2) Debt Service: Included in the above General Fund appropriation is~~  
14 ~~\$3,167,000 in fiscal year 2007-2008 for new debt service to support new bonds as set~~  
15 ~~forth in Part II, Capital Projects Budget, of this Act.} (Veto #4)~~

16 **(3) Nicholas Hildreth School:** Included in the above Restricted Funds  
17 appropriation is \$60,000 in fiscal year 2006-2007 to move the Nicholas Hildreth School  
18 to Blue Licks Battlefield State Park.

19 ~~{(4) Buckhorn Lake State Park: Included in the above Restricted Funds appropriation~~  
20 ~~is \$125,000 in fiscal year 2006-2007 to construct boat slips at Buckhorn Lake State~~  
21 ~~Park.} (Veto #7)~~

## 22 **6. HORSE PARK COMMISSION**

	2006-07	2007-08
23 General Fund	1,708,200	5,034,200
24 Restricted Funds	6,239,300	6,246,500
25 TOTAL	7,947,500	11,280,700

27 **(1) Debt Service:** Included in the above General Fund appropriation is

1 \$3,399,000 in fiscal year 2007-2008 for new debt service to support new bonds as set  
2 forth in Part II, Capital Projects Budget, of this Act.

### 3 **7. STATE FAIR BOARD**

4		<b>2006-07</b>	<b>2007-08</b>
5	General Fund	396,800	553,800
6	Restricted Funds	37,058,600	37,821,900
7	TOTAL	37,455,400	38,375,700

8 **(1) Debt Service:** Included in the above Restricted Funds appropriation is  
9 \$4,322,100 in fiscal year 2006-2007 and \$4,424,400 in fiscal year 2007-2008 for  
10 previously issued bonds.

11 ~~{(2) Debt Service: Included in the above General Fund appropriation is \$157,000~~  
12 ~~in fiscal year 2007-2008 for new debt service to support new bonds as set forth in Part II,~~  
13 ~~Capital Projects Budget, of this Act.} (Veto #4)~~

### 14 **8. FISH AND WILDLIFE RESOURCES**

15		<b>2006-07</b>	<b>2007-08</b>
16	Restricted Funds	28,778,500	29,810,000
17	Federal Funds	10,063,900	10,098,100
18	TOTAL	38,842,400	39,908,100

### 19 **9. HISTORICAL SOCIETY**

20		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
21	General Fund	125,000	8,762,800	8,045,500
22	Restricted Funds	-0-	760,900	819,600
23	Federal Funds	-0-	1,004,200	516,800
24	TOTAL	125,000	10,527,900	9,381,900

25 **(1) City of Hodgenville:** Included in the above General Fund appropriation is  
26 \$750,000 in fiscal year 2006-2007 to provide a grant for the City of Hodgenville to match  
27 Federal Funds.

1       **(2) Abraham Lincoln Bicentennial Commission:** Included in the above General  
 2 Fund appropriation is \$2,000,000 in each year of the biennium for the Abraham Lincoln  
 3 Bicentennial Commission.

4       **(3) Perryville Battlefield:** Included in the above General Fund appropriation is  
 5 \$75,000 in fiscal year 2005-2006 for the 2006 reenactment of the battle at Perryville.

6       **(4) Lincoln Wedding Reenactment:** Included in the above General Fund  
 7 appropriation is \$50,000 in fiscal year 2005-2006 for the Abraham Lincoln Bicentennial  
 8 Commission to support the Lincoln Wedding Reenactment.

9       **(5) Debt Service:** Included in the above General Fund appropriation is \$32,000 in  
 10 fiscal year 2007-2008 for new debt service to support new bonds as set forth in Part II,  
 11 Capital Projects Budget, of this Act.

## 12   **10. ARTS COUNCIL**

	2006-07	2007-08
14           General Fund	4,203,200	4,182,500
15           Restricted Funds	441,900	452,700
16           Federal Funds	744,900	740,000
17           TOTAL	5,390,000	5,375,200

18       **(1) Open Meetings:** Any entity involved in producing or financing arts on a local  
 19 or statewide basis, since the inception of fiscal year 2004-2005, which received a total of  
 20 \$25,000 or less as a result of appropriations or grants from state or local governmental  
 21 units, shall be exempt from the requirements of KRS 61.800 to 61.850.

22       **(2) Open Records:** Any entity involved in producing or financing arts on a local  
 23 or statewide basis, since the inception of fiscal year 2004-2005, which received a total of  
 24 \$25,000 or less as a result of appropriations or grants from state or local governmental  
 25 units shall be exempt from the requirements of KRS 61.870 to 61.884.

## 26   **11. HERITAGE COUNCIL**

	2006-07	2007-08
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1	General Fund	940,000	900,000
2	Restricted Funds	469,300	487,100
3	Federal Funds	669,000	669,000
4	TOTAL	2,078,300	2,056,100

5       **(1) African-American Heritage Council:** Included in the above General Fund  
6 appropriation is \$40,000 in fiscal year 2006-2007 for the African-American Heritage  
7 Council.

8       **12. KENTUCKY CENTER FOR THE ARTS**

9		<b>2006-07</b>	<b>2007-08</b>
10	General Fund	1,114,400	1,264,400

11       **(1) Governor's School for the Arts:** Included in the above General Fund  
12 appropriation is \$150,000 in fiscal year 2007-2008 for stabilization of the Governor's  
13 School for the Arts.

14       **TOTAL - COMMERCE CABINET**

15		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
16	General Fund	125,000	57,821,100	63,914,000
17	Restricted Funds	215,400	146,281,400	149,829,700
18	Federal Funds	-0-	14,864,800	14,406,700
19	TOTAL	340,400	218,967,300	228,150,400

20       **C. ECONOMIC DEVELOPMENT CABINET**

21       **Budget Units**

22       **1. SECRETARY**

23		<b>2006-07</b>	<b>2007-08</b>
24	General Fund	16,619,000	21,550,200
25	Restricted Funds	1,340,000	1,340,000
26	TOTAL	17,959,000	22,890,200

27       **(1) New Economy High-Tech Construction and High-Tech Investment Pools:**

1 Included in the above General Fund appropriation is \$1,026,000 in fiscal year 2007-2008  
 2 for new debt service as set forth in Part II, Capital Projects Budget, of this Act. The  
 3 Commissioner of the Department for Commercialization and Innovation shall determine  
 4 the amounts to be apportioned between the High-Tech Investment and High-Tech  
 5 Construction Pools.

6 **(2) Funding for Commercialization and Innovation:** Notwithstanding  
 7 Subchapter 20 of KRS Chapter 154, interest income earned on balances in the High-Tech  
 8 Construction Pool and the High-Tech Investment Pool shall be used to support the  
 9 Department for Commercialization and Innovation within the Cabinet for Economic  
 10 Development. Upon the recommendation of the Commissioner, these funds are  
 11 authorized and appropriated to fund High-Tech Construction Pool and High-Tech  
 12 Investment Pool projects. Loan repayments received by the High-Tech Construction and  
 13 High-Tech Investment Pools are appropriated in addition to amounts specified in Part II,  
 14 Capital Projects Budget, of this Act.

15 **(3) Louisville Waterfront Development Corporation:** Included in the above  
 16 General Fund appropriation is \$420,800 in fiscal year 2006-2007 and \$420,800 in fiscal  
 17 year 2007-2008 for the Louisville Waterfront Development Corporation.

## 18 **2. NEW BUSINESS DEVELOPMENT**

19		<b>2006-07</b>	<b>2007-08</b>
20	General Fund	1,365,200	1,377,500
21	Restricted Funds	747,000	747,000
22	TOTAL	2,112,200	2,124,500

## 23 **3. FINANCIAL INCENTIVES**

24		<b>2006-07</b>	<b>2007-08</b>
25	General Fund	3,200,000	4,015,000
26	Restricted Funds	1,789,600	1,810,600
27	TOTAL	4,989,600	5,825,600



1       **(1) Debt Service:** Included in the above General Fund appropriation is \$815,000  
 2 in fiscal year 2007-2008 for debt service to support new bonds as set forth in Part II,  
 3 Capital Projects Budget, of this Act.

4       **(2) Carry Forward of General Fund Appropriation Balance for Bluegrass**  
 5 **State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation  
 6 balance for training grants for fiscal year 2006-2007 and for fiscal year 2007-2008 for the  
 7 Bluegrass State Skills Corporation shall not lapse and shall carry forward. The  
 8 Corporation is authorized to extend an additional \$1,500,000 in training grant offers  
 9 during the 2006-2008 biennium. If such offers are made and disbursements are required  
 10 to support those offers, funds shall be appropriated from the General Fund Surplus  
 11 Account (KRS 48.700) in an amount not to exceed \$1,500,000.

12   **4. EXISTING BUSINESS DEVELOPMENT**

13		<b>2006-07</b>	<b>2007-08</b>
14	General Fund	3,457,500	3,503,400
15	Restricted Funds	210,000	210,000
16	Federal Funds	155,400	155,400
17	TOTAL	3,822,900	3,868,800

18       **(1) Small and Minority Business Entrepreneurship:** The Kentucky Economic  
 19 Development Finance Authority shall make available \$300,000 in fiscal year 2007-2008  
 20 for micro-business loans in the Small and Minority Business entrepreneurship program in  
 21 the Department of Existing Business Development.

22   **TOTAL - ECONOMIC DEVELOPMENT CABINET**

23		<b>2006-07</b>	<b>2007-08</b>
24	General Fund	24,641,700	30,446,100
25	Restricted Funds	4,086,600	4,107,600
26	Federal Funds	155,400	155,400
27	TOTAL	28,883,700	34,709,100

**D. DEPARTMENT OF EDUCATION**

**Budget Units**

**1. EXECUTIVE POLICY AND MANAGEMENT**

	<b>2006-07</b>	<b>2007-08</b>
General Fund	672,000	679,800

**(1) Employment of Personnel:** Notwithstanding KRS 18A.115, the Department of Education may fill, through memoranda of agreement, not more than 50 percent of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky.

**(2) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to 18A.200, the Kentucky Board of Education shall continue to have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set their compensation comparable to the competitive market.

**2. OPERATIONS AND SUPPORT SERVICES**

	<b>2006-07</b>	<b>2007-08</b>
General Fund	36,925,500	56,074,400
Restricted Funds	7,210,100	7,210,100
Federal Funds	8,527,800	8,527,800
TOTAL	52,663,400	71,812,300

**(1) Teachers' Retirement System Employer Match:** Included in the above General Fund appropriation is \$2,705,600 in fiscal year 2006-2007 and \$2,840,900 in fiscal year 2007-2008 to enable the Department of Education to provide the employer match for the teacher retirement contribution for qualified employees as provided by KRS 161.550.

~~**(2) Debt Service:** Included in the above General Fund appropriation is \$8,898,000 in fiscal year 2007-2008 to provide for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act. Included in the \$8,898,000 is \$620,000 in~~

1 ~~fiscal year 2007-2008 to provide debt service for new bonds for a high-speed education~~  
 2 ~~telecommunications network that supports a set of seamless P-16 management,~~  
 3 ~~instructional, and research applications. The network shall consist of 100 MBPS to at~~  
 4 ~~least 40 percent of Kentucky's local school districts and at least ten MBPS to the~~  
 5 ~~remaining local school districts. Included in the \$8,898,000 is \$696,000 in fiscal year~~  
 6 ~~2007-2008 to provide debt service for a functionally robust and modern system to ensure~~  
 7 ~~the efficient collection and management of student information, including a unique~~  
 8 ~~student identifier, at the school, district, and state levels. Included in the \$8,898,000 is~~  
 9 ~~\$1,044,000 in fiscal year 2007-2008 to provide debt service for a Web-based, on-line~~  
 10 ~~testing program that provides a quicker return of test results, student accountability, and~~  
 11 ~~assessment integration into teaching and learning situations on a real-time basis. Included~~  
 12 ~~in the \$8,898,000 is \$229,000 in fiscal year 2007-2008 to provide debt service for a~~  
 13 ~~knowledge management portal that will provide K-12 public educators with intuitive~~  
 14 ~~access to indexed, aligned, and well-organized Web-based instructional resources such as~~  
 15 ~~units of study that connect curriculum, instruction, and assessment with other data~~  
 16 ~~generated by schools and the Kentucky Department of Education. Included in the~~  
 17 ~~\$8,898,000 is \$6,069,000 in fiscal year 2007-2008 to provide debt service for the~~  
 18 ~~purchase of modern workstations, stationary or mobile, for public K-12 schools to~~  
 19 ~~support advanced instructional activities, including on-line learning and Internet 2~~  
 20 ~~instructional activities. The Kentucky Board of Education shall approve a plan for~~  
 21 ~~distribution of the workstations. Included in the \$8,898,000 is \$144,000 in fiscal year~~  
 22 ~~2007-2008 to provide debt service for the Rockcastle County Vocational and Technical~~  
 23 ~~Center. Included in the \$8,898,000 is \$96,000 in fiscal year 2007-2008 to provide debt~~  
 24 ~~service for the Letcher County Central Vocational Center.] (Veto #4)~~

25 **(3) School Technology in Coal Counties:** Included in the above Restricted  
 26 Funds appropriation is \$5,000,000 in each fiscal year from the Local Government  
 27 Economic Development Multi-County Fund for the purpose of enhancing education

1 technology in local school districts within coal-producing counties. The Commissioner of  
 2 the Department of Education is authorized to use up to \$1,000,000 of the above  
 3 \$5,000,000 appropriation in each fiscal year to make offers of assistance to qualifying  
 4 local school districts in coal-producing counties to fund technology projects; to be  
 5 eligible for these offers of assistance, local school districts may be required to provide a  
 6 match of not more than two to one from any of their other funding courses. The  
 7 Commissioner of the Department of Education shall use \$2,500,000 of the above  
 8 \$5,000,000 appropriation to continue the Coal County Computing program~~[under the~~  
 9 ~~direction of the Kentucky Economic Development Finance Authority]~~. (Veto #8) The  
 10 Commissioner of the Department of Education shall distribute the remainder of the above  
 11 \$5,000,000 appropriation to coal-producing counties in a manner consistent with  
 12 distributions to local school districts from the Kentucky Education Technology System;  
 13 these funds shall be in addition to any regular distribution to coal-producing counties  
 14 from the Kentucky Education Technology System.

15 **(4) Education Technology Program:** Included in the above General Fund  
 16 appropriation is \$19,500,000 in each fiscal year for the Education Technology Program.

### 17 **3. LEARNING AND RESULTS SERVICES**

18		<b>2006-07</b>	<b>2007-08</b>
19	General Fund (Tobacco)	1,388,400	1,508,400
20	General Fund	791,940,900	839,939,300
21	Restricted Funds	2,621,200	2,621,200
22	Federal Funds	679,119,100	678,843,600
23	TOTAL	1,475,069,600	1,522,912,500

24 **(1) Funding for Employer Health and Life Insurance:** If the costs for health  
 25 insurance or life insurance coverage for employees of local school districts exceed the  
 26 levels of appropriated funds, any unexpended Support Education Excellence in Kentucky  
 27 appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject

1 to approval of the Governor upon the written recommendation of the Secretary of the  
2 Finance and Administration Cabinet pursuant to the written request of the Commissioner  
3 of Education. The per-month per-employee administrative assessment shall be remitted to  
4 the Personnel Cabinet by the Department of Education from the General Fund  
5 appropriation for local school district health and life insurance.

6 **(2) Kentucky School for the Blind and Kentucky School for the Deaf:**

7 Included in the above General Fund appropriation is \$6,441,400 in fiscal year 2006-2007  
8 and \$6,657,100 in fiscal year 2007-2008 for the Kentucky School for the Blind, and  
9 \$9,003,200 in fiscal year 2006-2007 and \$9,304,200 in fiscal year 2007-2008 for the  
10 Kentucky School for the Deaf.

11 **(3) Kentucky Education Technology System:** (a) Area Vocational Education  
12 Centers shall be fully eligible to participate in the Kentucky Education Technology  
13 System. Notwithstanding KRS 157.660, the School Facilities Construction Commission,  
14 in consultation with the Kentucky Board of Education and the Department of Education,  
15 shall develop administrative regulations which identify a methodology by which the  
16 average daily attendance for Area Vocational Education Centers may be equated to the  
17 average daily attendance of other local school districts in order that they may receive their  
18 respective distributions of these funds.

19 (b) The School for the Deaf and the School for the Blind shall be fully eligible,  
20 along with local school districts, to participate in the Kentucky Education Technology  
21 System in a manner that takes into account the special needs of the students of these two  
22 schools.

23 **(4) Family Resource and Youth Services Centers:** Funds appropriated to  
24 establish and support Family Resource and Youth Services Centers shall be transferred in  
25 fiscal year 2006-2007 and in fiscal year 2007-2008 to the Cabinet for Health and Family  
26 Services consistent with the intent of KRS 156.497. The Cabinet for Health and Family  
27 Services is authorized to use, for administrative purposes, no more than three percent of

1 the total funds transferred from the Department of Education for the Family Resource and  
 2 Youth Services Centers. If a certified person is employed as a director or coordinator of a  
 3 Family Resource or Youth Services Center, that person shall retain his or her status as a  
 4 certified employee of the school district.

5 If 70 percent or more of the funding level provided by the state is utilized to support  
 6 the salary of the director of a center, that center shall provide a report to the Cabinet for  
 7 Health and Family Services identifying the salary of the director. The Cabinet for Health  
 8 and Family Services shall transmit any reports received from Family Resource and Youth  
 9 Services Centers pursuant to this provision to the Legislative Research Commission.

10 **(5) Health Insurance:** Included in the above General Fund appropriation is  
 11 \$465,808,000 in fiscal year 2006-2007 for employer contributions for health insurance  
 12 and the contribution to the flexible spending account for employees waiving coverage.  
 13 Included in the above General Fund appropriation is \$503,855,000 in fiscal year 2007-  
 14 2008 for employer contributions for health insurance and the contribution to the flexible  
 15 spending account for employees waiving coverage.

16 **(6) Learning and Results Services Programs:** Notwithstanding KRS 156.265,  
 17 included in the above General Fund appropriation are the following allocations for the  
 18 2006-2008 fiscal biennium:

- 19 (a) \$31,859,500 in each fiscal year for the Extended School Services Program;
- 20 (b) \$51,850,700 in each fiscal year for the Family Resource and Youth Services  
 21 Centers Program;
- 22 (c) \$75,127,000 in each fiscal year for the Preschool Program;
- 23 (d) \$15,034,700 in each fiscal year for the Professional Development Program;
- 24 (e) \$10,378,300 in each fiscal year for the Safe Schools Program;
- 25 (f) \$1,400,000 in fiscal year 2007-2008 for ACT and WorkKeys testing;
- 26 (g) \$21,700,100 in each fiscal year for the Textbooks Program;
- 27 (h) \$1,200,000 in fiscal year 2006-2007 and \$1,400,000 in fiscal year 2007-2008

- 1 for the Collaborative Center for Literacy Development;
- 2 (i) \$8,369,200 in each fiscal year for the Commonwealth Accountability Testing
- 3 System (CATS);
- 4 (j) \$616,500 in each fiscal year for the Blind/Deaf Residential Travel Program;
- 5 (k) \$2,100,000 in each fiscal year for the Community Education Program;
- 6 (l) \$720,900 in each fiscal year for the Dropout Prevention Program;
- 7 (m) \$20,558,100 in fiscal year 2006-2007 and \$23,558,100 in fiscal year 2007-
- 8 2008 for the Early Reading Incentive Grant/Read to Achieve Program;
- 9 (n) \$7,121,500 in each fiscal year for the Gifted and Talented Program;
- 10 (o) \$4,276,700 in each fiscal year for the School Food Services match;
- 11 (p) \$10,962,100 in each fiscal year for the State Agency Children Program;
- 12 (q) \$1,600,000 in each fiscal year for the Teacher Academies Program;
- 13 (r) \$1,886,700 in each fiscal year for the Teacher Recruitment and Retention
- 14 Program;
- 15 (s) \$800,000 in each fiscal year for the Virtual Learning Program;
- 16 (t) \$10,945,400 in fiscal year 2006-2007 and \$11,175,400 in fiscal year 2007-
- 17 2008 for the Locally Operated Vocational Schools;
- 18 (u) \$610,300 in each fiscal year for the Writing Program;
- 19 (v) \$500,000 in each fiscal year for the Every1 Reads Program;
- 20 (w) \$2,257,000 in fiscal year 2006-2007 and \$2,378,700 in fiscal year 2007-2008
- 21 for Local School District Life Insurance;
- 22 (x) \$484,400 in each fiscal year for the Elementary Arts and Humanities Program;
- 23 (y) \$3,000,000 in fiscal year 2006-2007 and \$6,900,000 in fiscal year 2007-2008
- 24 for the Mathematics Achievement Fund;
- 25 (z) \$387,500 in each fiscal year for the Middle School Academic Center;
- 26 (aa) \$381,500 in each fiscal year for the Leadership and Mentor Fund;
- 27 (ab) \$3,925,300 in each fiscal year for the Professional Growth Fund;

1 (ac) \$500,000 in each fiscal year for the Save the Children/Rural Literacy  
2 Program;

3 (ad) The allocations referenced in subsection (5) of this budget unit for Local  
4 School District Health Insurance;

5 (ae) \$100,000 in each fiscal year for a specialized tutoring program for students  
6 with learning disabilities from Appalachian counties, as identified by the Appalachian  
7 Regional Commission. This program shall be located at a public institution of high  
8 education selected by the Commissioner of Education;

9 (af) \$430,000 in fiscal year 2007-2008 for the Partnership for Student Success  
10 Program;

11 (ag) \$5,624,000 in fiscal year 2006-2007 and \$5,649,800 in fiscal year 2007-2008  
12 for the Highly Skilled Educator Program; and

13 (ah) \$1,504,100 in fiscal year 2006-2007 and \$1,507,900 in fiscal year 2007-2008  
14 for the Commonwealth School Improvement Fund.

15 **(7) Program Flexibility:** Notwithstanding KRS 157.226(2) and (3), 157.3175(3)  
16 and (4), and 160.345(8) with regard to the state allocation, five programs (Professional  
17 Development, Extended School Services, Preschool, Textbooks, and Safe Schools) shall  
18 continue to permit the state and local school districts additional flexibility in the  
19 distribution of program funds while still addressing the governing statutes and serving the  
20 need and the intended student population.

21 **(8) Local District Grant Fund Carry Forward:** Notwithstanding KRS 45.229,  
22 up to ten percent of any non-SEEK state grant fund, other than any state grant fund for the  
23 Read to Achieve Program, appropriated to the Department of Education and disbursed to  
24 a local district that is unexpended during fiscal year 2006-2007 may be carried forward to  
25 fiscal year 2007-2008. Notwithstanding KRS 45.229, any state grant fund for the Read to  
26 Achieve Program in fiscal year 2006-2007 may be carried forward to fiscal year 2007-  
27 2008.



1       **(9) Publishing Requirements:** Notwithstanding KRS 158.6453(7), 160.463, and  
2       424.220, public availability of the school district's complete annual financial statement  
3       and the school report card shall be made by publishing the documents in the newspaper of  
4       the largest general circulation in the county, electronically on the Internet, or by printed  
5       copy at a prearranged site at the main branch of the public library within the school  
6       district. If publication on the Internet or by printed copy at the public library is chosen, the  
7       superintendent shall be directed to publish notification in the newspaper of the largest  
8       circulation in the county as to the location where the document can be viewed by the  
9       public. The notification shall include the address of the library or the electronic address of  
10      the Web site on the Internet where the documents can be viewed.

11      **(10) Surplus Property:** Notwithstanding KRS 45A.045, 45.777, and 56.463, any  
12      funds received by the Commonwealth from the disposal of any surplus property at the  
13      Kentucky School for the Blind and the Kentucky School for the Deaf shall be deposited  
14      in a restricted account and shall not be expended without appropriation authority granted  
15      by the General Assembly.

16      **(11) Locally Operated Vocational Programs:** Notwithstanding KRS 157.069, the  
17      supplemental funding distribution shall include Category II and III programs in districts  
18      established after June 21, 2001, with state assistance if approved by the Commissioner of  
19      Education.

20      **(12) Allocation of Safe School Funds:** Notwithstanding KRS 158.446, the Center  
21      for School Safety shall develop and implement allotment policies for all moneys received  
22      for the purposes of KRS 158.440, 158.441, 158.442, 158.445, and 158.446.

23      **(13) Coordination With Head Start:** Each local district shall work with Head  
24      Start and other existing preschool programs to avoid duplication of services and  
25      programs, to avoid supplanting federal funds, to maximize Head Start funds in order to  
26      serve as many four year old children as possible, and shall maintain certification from the  
27      Head Start director that the Head Start Program is fully utilized. If a local district fails to

1 comply with the requirements of this section, the Commissioner of the Department of  
2 Education shall withhold preschool funding for an amount equal to the number of Head  
3 Start eligible children served in the district who would have been eligible to be served by  
4 Head Start under the full utilization certification required under this section. The  
5 Commissioner of the Department of Education shall resolve any disputes and make a  
6 determination of the district's compliance with the full utilization requirement.

7 **(14) Partnership for Student Success:** Included in the above General Fund  
8 appropriation is \$430,000 in fiscal year 2007-2008 for the Partnership for Student  
9 Success Program. These funds shall be expended to develop pilot programs to  
10 demonstrate effective strategies to increase community and parental involvement in K-12  
11 education by providing additional tools for educators to improve instruction and promote  
12 student health and wellness.

13 **(15) Funds Transfer:** The Commissioner of the Department of Education may  
14 transfer any available funds between the Professional Growth Fund and the Professional  
15 Development Leadership Mentor Fund as needed to satisfy the demand and need to  
16 support respective teacher programs.

17 **(16) School Calendar Evaluation:** The Kentucky Department of Education is  
18 directed to conduct an evaluation of school calendars. The primary purpose of this  
19 evaluation is to determine the impact of alternative school calendars, including the use of  
20 extended time beyond the six-hour instructional day, shortened days or weeks, and year-  
21 round calendars. The evaluation shall investigate the positive and negative effects on  
22 students, including academic achievement, extracurricular activities, parental support, and  
23 community acceptance. The evaluation shall review the impact on school district  
24 operations and finances related to transportation, utilities, staffing, facilities, food service,  
25 and other costs associated with operating efficiencies. A preliminary report shall be made  
26 to the Interim Joint Committee on Education by November 15, 2006, and a final report,  
27 including recommendations for regulatory or statutory changes, shall be made to the

1 Interim Joint Committee on Education by January 15, 2007.

2 **(17) Advisory Council for Gifted and Talented Education:** Notwithstanding  
3 KRS 158.648(1), a member of the Advisory Council for Gifted and Talented Education  
4 may be reappointed but may not serve more than three consecutive terms. A member of  
5 the Kentucky Association for Gifted Education shall be a voting member of the Advisory  
6 Council for Gifted and Talented Education.

7 **(18) Highly Skilled Educators:** Notwithstanding KRS 158.6455(3), 158.782, and  
8 160.350(3), the Kentucky Department of Education shall have the authority to expend  
9 moneys appropriated for the Highly Skilled Education Assistance Program on  
10 intervention services that may be required by the Federal No Child Left Behind Act of  
11 2001 (Pub. L. 107-110).

12 **(19) Commonwealth School Improvement Fund:** Notwithstanding KRS  
13 158.805, the Commissioner of Education shall be authorized to use the Commonwealth  
14 School Improvement Fund to provide support services to schools needing assistance  
15 under KRS 158.6455 or in order to meet the requirements of No Child Left Behind.

16 **(20) Community Education:** Included in the above General Fund appropriation is  
17 \$300,000 in each fiscal year to support the establishment of 15 additional community  
18 education programs.

19 **4. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK)**  
20 **PROGRAM**

21		<b>2006-07</b>	<b>2007-08</b>
22	General Fund	2,680,910,200	2,930,340,800

23 **(1) Common School Fund Earnings:** Accumulated earnings for the Common  
24 School Fund shall be transferred in each fiscal year to the SEEK Program.

25 **(2) Base SEEK Allotments:** The above appropriation includes \$2,089,483,300 in  
26 fiscal year 2006-2007 and \$2,312,486,700 in fiscal year 2007-2008 for the base SEEK  
27 Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be

1 allotted to school districts in accordance with KRS 157.310 to 157.440, except that the  
2 total of the funds allotted shall not exceed the appropriations for this purpose except as  
3 provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation  
4 for the base SEEK Program is \$211,953,500 in fiscal year 2006-2007 and \$214,752,800  
5 in fiscal year 2007-2008 for pupil transportation.

6       **(3) Tier I Component:** Included in the above appropriation is \$157,620,900 in  
7 fiscal year 2006-2007 and \$161,638,900 in fiscal year 2007-2008 for the Tier I  
8 component as established by KRS 157.440.

9       **(4) Vocational Transportation:** Included in the above appropriation is  
10 \$2,416,900 in fiscal year 2006-2007 and \$2,416,900 in fiscal year 2007-2008 for  
11 vocational transportation.

12       **(5) Secondary Vocational Education:** Included in the above appropriation is  
13 \$23,053,800 in fiscal year 2006-2007 and \$23,561,000 in fiscal year 2007-2008 to  
14 provide secondary vocational education in state-operated vocational schools.

15       **(6) Teachers' Retirement System Employer Match:** Included in the above  
16 appropriation is \$319,184,300 in fiscal year 2006-2007 and \$346,100,400 in fiscal year  
17 2007-2008 to enable local school districts to provide the employer match for qualified  
18 employees as provided for by KRS 161.550.

19       **(7) Salary Supplements for Nationally Certified Teachers:** Notwithstanding  
20 KRS 157.395, included in the above appropriation is \$2,104,000 in fiscal year 2006-2007  
21 and \$2,504,000 in fiscal year 2007-2008 for the purpose of providing salary supplements  
22 for teachers attaining certification by the National Board for Professional Teaching  
23 Standards.

24       **(8) Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above  
25 appropriation to the base SEEK Program is intended to provide a base guarantee of  
26 \$3,508 per student in average daily attendance in fiscal year 2006-2007 and \$3,822 per  
27 student in average daily attendance in fiscal year 2007-2008 as well as to meet the other

1 requirements of KRS 157.360.

2 Nothing in this Act shall be construed as prohibiting the contracting out of pupil  
3 transportation services.

4 Funds appropriated to the SEEK Program shall be allotted to school districts in  
5 accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall  
6 not exceed the appropriations for this purpose except as provided in this Act. The total  
7 appropriation for the SEEK Program shall be measured by, or construed as, estimates of  
8 the state expenditures required by KRS 157.310 to 157.440. If the required expenditures  
9 exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon  
10 the written request of the Commissioner of Education and with approval of the Governor,  
11 may increase the appropriation by such amount as may be available and necessary to  
12 meet, to the extent possible, the required expenditures under the cited sections of the  
13 Kentucky Revised Statutes, but any increase of the total appropriation to the SEEK  
14 Program is subject to Part III, General Provisions, of this Act, and the provisions of KRS  
15 Chapter 48. If funds appropriated to the SEEK Program are insufficient to provide the  
16 amount of money required under KRS 157.310 to 157.440, allotments to local school  
17 districts may be reduced in accordance with KRS 157.430.

18 **(9) Local School District Certified and Classified Employee Pay Policy:**

19 Notwithstanding KRS 157.420, during fiscal year 2006-2007, local school districts shall  
20 provide all certified staff a salary or compensation increase of not less than two percent  
21 and, during fiscal year 2007-2008, local school districts shall provide all certified staff a  
22 salary or compensation increase of not less than \$3,000. The salary increases in fiscal year  
23 2006-2007 and fiscal year 2007-2008 for certified staff shall be in addition to the normal  
24 rank and step increase attained by certified personnel employed by local school districts.  
25 During fiscal year 2006-2007, local school districts shall provide all classified staff a  
26 salary increase of two percent and, during fiscal year 2007-2008, local school districts  
27 shall provide all classified staff a salary increase of five percent. In fiscal year 2007-2008,

1 no classified staff member shall receive a salary increase in excess of \$2,500. Classified  
2 staff employed by a local board of education that work less than full-time shall receive a  
3 pro rata share of the salary increase based on terms of their employment. The above  
4 increase in fiscal year 2006-2007 and fiscal year 2007-2008 for classified staff shall be in  
5 addition to a normal step increase or any increase that might result from assuming new  
6 duties or obtaining additional qualifications.

7 **(10) Final SEEK Calculation:** Notwithstanding KRS 157.410, on or before  
8 March 1 of each year, the chief state school officer shall determine the exact amount of  
9 the public common school fund to which each district is entitled and the remainder of the  
10 amount due each district for the year shall be distributed in equal installments beginning  
11 the first month after completion of final calculation and for each successive month  
12 thereafter.

13 **(11) SEEK Adjustment Factors:** Funds allocated for the SEEK base and its  
14 adjustment factors that are not needed for the base or a particular adjustment factor may  
15 be allocated to other adjustment factors, if funds for that adjustment factor are not  
16 sufficient.

17 **(12) Facilities Support Program of Kentucky/Equalized Nickel Levies:**  
18 Included in the above appropriation is \$67,749,200 in fiscal year 2006-2007 and  
19 \$63,970,700 in fiscal year 2007-2008 to provide facilities equalization funding pursuant  
20 to KRS 157.440 and 157.620. Included in the above appropriation is \$12,177,600 in  
21 fiscal year 2006-2007 and \$11,134,200 in fiscal year 2007-2008 to provide facilities  
22 equalization funding pursuant to KRS 157.440, 157.620, and 157.621(2) and (3) for local  
23 school districts which have: (a) Levied the additional tax pursuant to KRS 157.621 for  
24 debt service and new facilities as of January 1, 2006; (b) Levied the five cents under the  
25 provisions of KRS 157.440; (c) Met the growth requirements in KRS 157.621(2) in fiscal  
26 year 2005-2006; and (d) Levied an additional nickel tax pursuant to KRS 157.621 in  
27 addition to (a) and (b) of this section by January 1, 2006.

1       **(13) Retroactive Equalized Facility Funding:** Included in the above  
2 appropriation is \$2,302,500 in fiscal year 2006-2007 and \$2,076,400 in fiscal year 2007-  
3 2008 to provide equalized facility funding to districts meeting the following eligibility  
4 requirements: A local board of education that levied a tax rate subject to recall in fiscal  
5 year during or prior to fiscal year 2003-2004 in addition to the five cents levied pursuant  
6 to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or  
7 major renovations of existing facilities shall be eligible for equalization funds from the  
8 state at 150 percent of the statewide average per pupil assessment. The equalization funds  
9 shall be used as provided in KRS 157.440(1)(b).

10       **(14) Equalized Facility Funding:** Included in the above General Fund  
11 appropriation is \$4,617,700 in fiscal year 2006-2007 and \$4,451,600 in fiscal year 2007-  
12 2008 to provide equalized facility funding to districts meeting the following eligibility  
13 requirements: (a) The board of education has levied at least a ten cent equivalent tax rate  
14 for building purposes or has debt service of at least a ten cent equivalent tax rate as of  
15 February 24, 2005; (b) The district has not received equalized growth facility funding as a  
16 result of 2005 Ky. Acts ch. 173, Part I, D. Department of Education, 4. Support Education  
17 Excellence in Kentucky (SEEK) Program; and (c) The district has received approval by  
18 the Commissioner of Education. Eligible districts shall receive equalization funds from  
19 the state at 150 percent of the statewide average per pupil assessment, and these funds  
20 shall be used as provided in KRS 157.440(1)(b).

21       **(15) School Employee Flexible Spending Account Funds Transfer:** Any funds  
22 remaining in flexible spending accounts of employees of local school districts for  
23 calendar year 2006 and calendar year 2007 shall be transferred to the credit of the General  
24 Fund.

25       **(16) Instructional Days:** Included in the above General Fund appropriation is  
26 \$32,600,000 to extend the school term in fiscal year 2007-2008 by an additional two  
27 instructional days. Notwithstanding KRS 158.070, the school term for fiscal year 2007-

1 2008 shall include the equivalent of 177 instructional days and shall include no less than  
2 two additional six-hour instructional days in addition to the six-hour instructional days  
3 included in the 2005-2006 school calendar as approved by the Department of Education.

4 Districts shall not be required to exceed 177 six-hour instructional days.

5 **(17) Facility Matching Grant:** Included in the above General Fund appropriation  
6 is \$200,000 in fiscal year 2006-2007 for a matching grant to the Hardin County  
7 Educational Foundation, Inc. for the completion of the John Hardin Performing Arts  
8 Center.

9 **(18) Transportation Study:** The Legislative Research Commission is hereby  
10 directed to study the current funding formula and the equitable disbursement of pupil  
11 transportation funds. The study of pupil transportation funding shall include:

12 (a) An analysis of the current formula used to determine the level of reimbursed  
13 funding for school districts, including its equity and adequacy, and recommendations for  
14 improvement; and

15 (b) A comparison of the efficiencies used by school districts in the operation of their  
16 transportation systems, including recommendations for efficiency requirements or  
17 incentives.

18 The Legislative Research Commission shall contract with nongovernmental  
19 consultants to conduct the study. The consultants shall have the full cooperation of the  
20 Executive Branch and the Legislative Branch.

21 The consultants shall present a final report of their findings to the Interim Joint  
22 Committee on Education and to the Interim Joint Committee on Appropriations and  
23 Revenue no later than July 1, 2007.

24 Provisions of this section to the contrary notwithstanding, the Legislative Research  
25 Commission shall have the authority to alternatively assign the issues identified herein to  
26 an interim joint committee or subcommittee thereof, and to designate a study completion  
27 date.



1     **TOTAL - DEPARTMENT OF EDUCATION**

2		<b>2006-07</b>	<b>2007-08</b>
3	General Fund (Tobacco)	1,388,400	1,508,400
4	General Fund	3,510,448,600	3,827,034,300
5	Restricted Funds	9,831,300	9,831,300
6	Federal Funds	687,646,900	687,371,400
7	TOTAL	4,209,315,200	4,525,745,400

8                             **E. EDUCATION CABINET**

9     **Budget Units**

10    **1.    GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

11		<b>2006-07</b>	<b>2007-08</b>
12	General Fund	2,425,200	2,425,200
13	Restricted Funds	6,393,400	6,502,400
14	Federal Funds	190,000	190,000
15	TOTAL	9,008,600	9,117,600

16       **(1) East Kentucky Science Center:** Included in the above General Fund  
 17 appropriation is \$225,200 in fiscal year 2006-2007 and \$225,200 in fiscal year 2007-2008  
 18 for a grant to the East Kentucky Science Center.

19    **2.    DEAF AND HARD OF HEARING**

20		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
21	General Fund	-0-	920,400	933,000
22	Restricted Funds	5,000	590,000	590,000
23	TOTAL	5,000	1,510,400	1,523,000

24       **(1) Specialized Telecommunications Equipment:** Included in the above  
 25 Restricted Funds appropriation is an additional \$100,000 in fiscal year 2006-2007 and  
 26 \$100,000 in fiscal year 2007-2008 and General Fund moneys of \$100,000 in fiscal year  
 27 2006-2007 and \$100,000 in fiscal year 2007-2008 to be used for operating the

1 Telecommunication Access Program.

2 **3. KENTUCKY EDUCATIONAL TELEVISION**

3		<b>2006-07</b>	<b>2007-08</b>
4	General Fund	14,694,500	16,816,100
5	Restricted Funds	1,066,300	1,048,000
6	Federal Funds	700,000	700,000
7	<b>TOTAL</b>	<b>16,460,800</b>	<b>18,564,100</b>

8 **(1) Debt Service:** Included in the above General Fund appropriation is  
 9 \$1,907,000 in fiscal year 2007-2008 to provide debt service for new bonds as set forth in  
 10 Part II, Capital Projects Budget, of this Act.

11 **4. ENVIRONMENTAL EDUCATION COUNCIL**

12		<b>2006-07</b>	<b>2007-08</b>
13	Restricted Funds	192,800	194,400

14 **5. LIBRARIES AND ARCHIVES**

15 **a. Libraries and Archives**

16		<b>2006-07</b>	<b>2007-08</b>
17	General Fund	7,273,600	7,382,900
18	Restricted Funds	1,444,400	1,460,900
19	Federal Funds	1,964,500	1,986,100
20	<b>TOTAL</b>	<b>10,682,500</b>	<b>10,829,900</b>

21 **b. Direct Local Aid**

22		<b>2006-07</b>	<b>2007-08</b>
23	General Fund	7,031,400	7,306,400
24	Restricted Funds	9,000	9,000
25	Federal Funds	424,000	424,000
26	<b>TOTAL</b>	<b>7,464,400</b>	<b>7,739,400</b>

27 **(1) Per Capita Grants:** Included in the above General Fund appropriation is

1 \$4,000,000 in each fiscal year to award per capita grants in accordance with KRS  
 2 171.201. Notwithstanding KRS 171.201, the allotment of General Fund dollars  
 3 distributed to each local library district shall not be less than received in fiscal year 2005-  
 4 2006.

5 **TOTAL - DEPARTMENT FOR LIBRARIES AND ARCHIVES**

	2006-07	2007-08
6 General Fund	14,305,000	14,689,300
7 Restricted Funds	1,453,400	1,469,900
8 Federal Funds	2,388,500	2,410,100
9 TOTAL	18,146,900	18,569,300

11 **6. OFFICE FOR THE BLIND**

	2006-07	2007-08
12 General Fund	1,335,300	1,343,200
13 Restricted Funds	1,955,300	1,955,300
14 Federal Funds	9,349,400	9,477,200
15 TOTAL	12,640,000	12,775,700

17 **7. EMPLOYMENT AND TRAINING**

	2006-07	2007-08
18 Restricted Funds	3,000,000	3,000,000
19 Federal Funds	672,218,400	672,371,200
20 TOTAL	675,218,400	675,371,200

22 **(1) Unemployment Insurance Penalty and Interest Account:** Notwithstanding  
 23 KRS 341.835, \$3,000,000 from the Unemployment Insurance Penalty and Interest  
 24 Account in the Unemployment Compensation Administration Fund may be used during  
 25 each fiscal year by the Office of Employment and Training to operate employment,  
 26 training, and unemployment insurance programs.

27 **(2) Reed Act Distribution:** In addition to supplementing the Unemployment

Insurance Trust Fund, Federal Funds made available to Kentucky as a result of the Reed Act distribution under Section 903(d) of the Social Security Act, as amended, in the amount of \$2,000,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-2008, are appropriated to the Office of Employment and Training for the administration of the unemployment compensation law and the public employment offices for costs allowable under the Unemployment Insurance and Wagner-Peyser programs.

## **8. CAREER AND TECHNICAL EDUCATION**

	<b>2006-07</b>	<b>2007-08</b>
General Fund	30,090,200	29,894,500
Restricted Funds	20,165,400	20,220,400
Federal Funds	15,188,500	15,188,500
<b>TOTAL</b>	<b>65,444,100</b>	<b>65,303,400</b>

**(1) Participation in the Education Technology Program by Area Vocational Education Centers:** Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission, in consultation with the Kentucky Board of Education and the Department of Education, shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2006-2008 fiscal biennium.

**(2) Area Technology Centers:** Included in the above General Fund appropriation is \$1,002,300 in fiscal year 2006-2007 and \$584,500 in fiscal year 2007-2008 for program operations at Pulaski, Warren, and Butler County Area Technology Centers. Included in the above Restricted Funds appropriation is \$600,000 in each fiscal year from

1 the Department of Education for support of the ongoing operational costs for Pulaski,  
 2 Warren, and Butler County Area Technology Centers and state-operated technical  
 3 programs at Hancock and Kenton County schools. Notwithstanding KRS 45.229,  
 4 unexpended General Fund appropriations to the Career and Technical Education  
 5 Accessibility Fund for fiscal year 2005-2006, not to exceed \$142,000, shall not lapse and  
 6 shall carry forward to fiscal year 2006-2007 to be used for the purchase of welding,  
 7 carpentry, and automotive equipment for new vocational programs at the Pulaski,  
 8 Warren, and Butler County area technology centers. Included in the above General Fund  
 9 appropriation is \$85,000 in fiscal year 2006-2007 and \$50,200 in fiscal year 2007-2008  
 10 for operating and equipment at the Mayfield-Graves County Area Technology Center.

11 **(3) Transfer of State-Operated Secondary Vocational Education and**  
 12 **Technology Centers:** (a) Notwithstanding KRS 151B.035, 151B.040, 151B.045,  
 13 151B.050, 151B.055, 151B.070, or any other statute to the contrary, effective at the  
 14 beginning of fiscal year 2006-2007, a local board of education may submit a request to  
 15 the Executive Director of the Office of Career and Technical Education to assume  
 16 authority for the management and control of a state-operated secondary vocational  
 17 education and technology center. Upon agreement between the Executive Director of the  
 18 Office of Career and Technical Education and the local board of education for the transfer  
 19 of a state-operated secondary vocational education and technology center, all personnel,  
 20 equipment and supplies shall be transferred to the local board of education and shall only  
 21 be utilized for the operation of the locally operated vocational center. The transfer of  
 22 management and control of the secondary area vocational education and technology  
 23 center shall be considered a permanent transfer to the local district.

24 (b) A certified employee who is affected by a transfer to the local board of  
 25 education under this provision shall be granted a one year limited contract by the local  
 26 board of education and shall be employed on the local district salary schedule. A  
 27 classified employee shall be guaranteed employment equal to his or her present status for

1 at least one complete school term. A transferred employee shall be provided the benefits  
2 of comparable employees in the district and shall be subject to all rules and policies of the  
3 local board of education, including but not limited to disciplinary and personnel actions  
4 that are the same as those that may be exercised by the district for any other employee in  
5 the district during a contract period.

6 (c) A transferred employee who has accrued annual leave and compensatory time  
7 shall be paid a lump sum for the accrued time at the effective date of the transfer by the  
8 Office of Career and Technical Education. The employee shall be granted credit for  
9 accrued sick leave up to the maximum allowed for transfers for teachers between school  
10 districts. Sick leave credit shall be awarded to a classified employee based on the local  
11 board policy. Any excess sick leave that a classified or certified employee has earned that  
12 the district will not accept in the transfer may be requested to be held in escrow by the  
13 appropriate state personnel system under KRS Chapter 18A or KRS Chapter 151B, and  
14 the sick leave balance shall be restored to the employee if the employee returns to a state  
15 government position.

16 (d) An employee who is to be transferred to a local board of education under  
17 provisions of this section but who chooses not to accept a one year limited contract with  
18 the board shall be separated from the state system and the employee's position shall be  
19 abolished. Notwithstanding any other statute, the employee may apply for any state  
20 position for which the employee is qualified but shall not be granted priority over other  
21 applicants for a position because the employee's position was abolished due to a transfer  
22 of the vocational education and technology center. An employee who refuses a contract  
23 with the local board shall be provided a lump-sum payment for accrued annual leave and  
24 compensatory time, and the employee's sick leave balance shall be placed in escrow by  
25 the appropriate state personnel system under KRS Chapter 18A or KRS Chapter 151B.  
26 The sick leave balance shall be restored to the employee if the employee returns to a state  
27 government position.

(e) A certified employee, other than a principal, who has earned continuing status in the state certified personnel system under KRS Chapter 151B may be granted tenure under the provisions of KRS 161.740(1)(c). A principal may be granted tenure as a teacher, but the provisions relating to demotion of the principal under KRS 161.765 shall apply.

(f) An employee of the Office of Career and Technical Education who is transferred to the local school district and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System.

(g) General Fund moneys previously appropriated to the Office of Career and Technical Education for support of the transferred state-operated vocational technical school shall be appropriated to the Kentucky Department of Education for support of the local board of education center operations effective at the beginning of fiscal year 2006-2007. In addition, the local board of education shall receive 100 percent of the Support Education Excellence in Kentucky (SEEK) Program funds from the Kentucky Department of Education that are generated from students enrolled in the center.

## 9. VOCATIONAL REHABILITATION

	2006-07	2007-08
General Fund	13,089,700	13,134,400
Restricted Funds	2,673,500	2,675,600
Federal Funds	46,642,000	46,491,200
TOTAL	62,405,200	62,301,200

## 10. EDUCATION PROFESSIONAL STANDARDS BOARD

	2006-07	2007-08
General Fund	10,328,800	10,328,800
Restricted Funds	1,416,800	1,449,500
Federal Funds	4,379,200	4,379,200
TOTAL	16,124,800	16,157,500

1       **(1) National Board of Teaching Standards Certification:** Notwithstanding  
 2       KRS 161.134, up to \$800,000 in fiscal year 2006-2007 and \$800,000 in fiscal year 2007-  
 3       2008 is provided for National Board of Teaching Standards Certification from the  
 4       General Fund.

5       **(2) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to  
 6       18A.200, the Education Professional Standards Board shall have the sole authority to  
 7       determine the employees of the Education Professional Standards Board staff who are  
 8       exempt from the classified service and to set their compensation comparable to the  
 9       competitive market.

10       **(3) Kentucky Teacher Internship Program:** Notwithstanding KRS 45.229, any  
 11       unexpended General Fund appropriation from fiscal year 2005-2006 and fiscal year 2006-  
 12       2007 shall not lapse and shall carry forward to be used to support operations of the  
 13       Kentucky Teacher Internship Program.

14       **TOTAL - EDUCATION CABINET**

15		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
16	General Fund	-0-	87,189,100	89,564,500
17	Restricted Funds	5,000	38,906,900	39,105,500
18	Federal Funds	-0-	751,056,000	751,207,400
19	TOTAL	5,000	877,152,000	879,877,400

20       **F. ENVIRONMENTAL AND PUBLIC PROTECTION CABINET**

21       **Budget Units**

22       **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

23		<b>2006-07</b>	<b>2007-08</b>
24	General Fund	8,752,100	8,541,400
25	Restricted Funds	6,708,200	7,132,900
26	Federal Funds	1,531,900	1,612,700
27	TOTAL	16,992,200	17,287,000



1           **(1) Salary Range Increase for Engineering and Mine Inspector Positions:**  
 2   Notwithstanding any other provision of law, the Secretary of the Environmental and  
 3   Public Protection Cabinet may increase the salary range for authorized engineering and  
 4   mine inspector positions within the Cabinet's air, waste, water, and mining programs as  
 5   necessary to allow for employment and retention of staff sufficient to timely provide the  
 6   permitting and compliance determinations under those programs. The salary range and  
 7   caps may be exceeded only upon a finding by the Secretary that the increases are  
 8   necessary and the presentation of the new salary range and the justification for that new  
 9   range to the Interim Joint Committee on Appropriations and Revenue.

10   **2. ENVIRONMENTAL PROTECTION**

	2005-06	2006-07	2007-08
12           General Fund	21,000	25,611,800	26,118,000
13           Restricted Funds	-0-	40,294,200	35,159,600
14           Federal Funds	-0-	19,047,400	19,237,600
15           Road Fund	-0-	300,000	300,000
16           TOTAL	21,000	85,253,400	80,815,200

17           **(1) Water Discharge Permitting Program:** Notwithstanding KRS 224.20-730,  
 18   \$233,926 in Restricted Funds shall be transferred in fiscal year 2006-2007 from the  
 19   Division of Air Quality to the Division of Water to be used for activities relating to the  
 20   Clean Water Act, Water Quality Standards and Discharge Permitting.

21           **(2) Municipal Solid Waste Landfill Inspectors:** Notwithstanding KRS 224.43-  
 22   320, no funds are provided in the above appropriations for the assignment of full-time  
 23   inspectors to each municipal solid waste landfill operating in the Commonwealth.

24           **(3) Kentucky Pride Program:** Included in the above Restricted Funds  
 25   appropriation is \$18,339,300 in fiscal year 2006-2007 and \$13,705,400 in fiscal year  
 26   2007-2008 for the Kentucky Pride Program.

27           **(4) Solid Waste Enforcement Activity:** In accordance with KRS 224.43-505, the

Environmental and Public Protection Cabinet shall suspend until July 1, 2008, enforcement activity regarding landfill closure, maintenance, monitoring, and remediation obligations against formerly permitted municipal solid waste disposal and water facilities owned by a city or county that ceases accepting waste prior to July 1, 1992, except as necessary to abate an environmental emergency.

**(5) 404 Permitting Program:** Included in the above Road Fund appropriation is \$300,000 in each year of the biennium for the U.S. Clean Water Act section for the 404 Permitting Program in the Environmental and Public Protection Cabinet's Division of Water to facilitate highway construction projects.

### 3. NATURAL RESOURCES

	2006-07	2007-08
General Fund (Tobacco)	9,000,000	9,000,000
General Fund	14,895,300	14,895,700
Restricted Funds	5,704,300	5,886,500
Federal Funds	9,134,100	9,129,400
TOTAL	38,733,700	38,911,600

**(1) Emergency Forest Fire Suppression:** Not less than \$240,000 of the above General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of \$240,000. Fire suppression costs in excess of \$240,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**(2) Environmental Stewardship Program:** Included in the above General Fund (Tobacco) appropriation is \$9,000,000 in fiscal year 2006-2007 and \$9,000,000 in fiscal year 2007-2008 for the Environmental Stewardship Program.

1           **(3) Maxey Flats Deep Well Monitoring Project:** Notwithstanding KRS  
 2   149.280(2) and 149.670, in fiscal year 2006-2007 the Division of Forestry shall transfer  
 3   \$500,000 to the Department of Environmental Protection, Division of Maxey Flats for the  
 4   Deep Well Monitoring System capital project.

5   **4. MINE RECLAMATION AND ENFORCEMENT**

6		<b>2006-07</b>	<b>2007-08</b>
7	General Fund	10,651,900	10,828,200
8	Restricted Funds	3,927,900	3,606,000
9	Federal Funds	18,314,400	18,871,500
10	TOTAL	32,894,200	33,305,700

11           **(1) Return of Permit and Acreage Fees:** Included in the above General Fund  
 12   appropriation is \$675,000 in each fiscal year for the return of permit and acreage fees  
 13   under KRS 350.139. Any required expenditure for this purpose in excess of this amount  
 14   in either fiscal year is appropriated to the department.

15           **(2) Surface Coal Mining Permits:** The permit block provisions of KRS  
 16   350.085(6) shall apply both to surface coal mining and reclamation operations owned or  
 17   controlled by the applicant, and those operations owning or controlling the applicant. The  
 18   Environmental and Public Protection Cabinet shall continue in effect the current state  
 19   administrative regulations regarding ownership and control provided that a due process  
 20   hearing shall be afforded at the time the Cabinet makes a preliminary determination to  
 21   impose a permit block.

22           The Cabinet shall conditionally issue a permit, permit renewal, or authorization to  
 23   conduct surface coal mining and reclamation operations, if the Cabinet finds that a direct  
 24   administrative or judicial appeal is presently being pursued, in good faith, to contest the  
 25   validity of the determination of ownership and control linkage. The Cabinet shall  
 26   conditionally issue permits where the applicant submits proof, including a settlement  
 27   agreement, that the violation is being abated to the satisfaction of the issuing state or

1 federal agency. If the initial judicial appeal affirms the ownership or control linkage, the  
 2 applicant shall have 30 days to submit proof that the violation has been or is in the  
 3 process of being corrected. Nothing in this section shall preclude the applicant from  
 4 seeking further judicial relief. The reporting requirements of KRS 350.060(3) shall not  
 5 extend to persons at the level above a publicly traded corporation who own or control the  
 6 applicant.

7 The Cabinet shall continue in force the current administrative regulations regarding  
 8 ownership and control, in a manner consistent with this section, until the Ownership and  
 9 Control Settlement Rule is finalized, at which time the state program administrative  
 10 regulations shall be revised to maintain consistency with the federal requirements and  
 11 shall be submitted as a state program amendment for approval by the federal Office of  
 12 Surface Mining Reclamation and Enforcement.

### 13 **5. ABANDONED MINE LAND RECLAMATION PROJECTS**

14		<b>2006-07</b>	<b>2007-08</b>
15	Federal Funds	22,000,000	22,000,000

16 **(1) Fund Receipt and Expenditures Estimates:** The above appropriation  
 17 represents estimates of the funds to be received and expended for this program. If  
 18 additional funds become available, the funds are appropriated subject to the conditions  
 19 and procedures provided in this Act.

### 20 **6. ENVIRONMENTAL QUALITY COMMISSION**

21		<b>2006-07</b>	<b>2007-08</b>
22	Restricted Funds	266,600	263,800

### 23 **7. KENTUCKY NATURE PRESERVES COMMISSION**

24		<b>2006-07</b>	<b>2007-08</b>
25	General Fund	1,166,500	1,166,500
26	Restricted Funds	378,900	402,800
27	Federal Funds	55,000	55,000

1	TOTAL	1,600,400	1,624,300
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2	<b>8. PUBLIC PROTECTION COMMISSIONER</b>		
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3		<b>2006-07</b>	<b>2007-08</b>
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4	Restricted Funds	1,188,700	1,193,400
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5	<b>9. BOXING AND WRESTLING AUTHORITY</b>		
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6		<b>2006-07</b>	<b>2007-08</b>
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7	Restricted Funds	100,000	100,000
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8	<b>10. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND</b>		
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9		<b>2006-07</b>	<b>2007-08</b>
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10	General Fund	-0-	3,479,000
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11	Restricted Funds	29,164,500	29,277,700
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12	TOTAL	29,164,500	32,756,700
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13       **(1) Debt Service:** Included in the above General Fund appropriation in fiscal year  
14 2007-2008 is \$3,479,000 for debt service for new bonds as set forth in Part II, Capital  
15 Projects Budget, of this Act. Included in the above Restricted Funds appropriation in  
16 fiscal year 2006-2007 is \$25,000,000 for underground storage tank fund payments from  
17 new bonds as set forth in Part II, Capital Projects Budget, of this Act.

18       **(2) Financial Responsibility Account:** Any Restricted Funds receipts generated  
19 by the Petroleum Storage Tank Assurance Fund in fiscal year 2006-2007 in excess of the  
20 amounts appropriated above shall be allocated to the Financial Responsibility Account to  
21 help ensure that the agency meets its reserve balance requirements in fiscal year 2007-  
22 2008.

23	<b>11. ALCOHOLIC BEVERAGE CONTROL</b>		
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24		<b>2006-07</b>	<b>2007-08</b>
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25	General Fund	1,441,400	1,058,600
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26	Restricted Funds	3,577,800	4,131,600
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27	TOTAL	5,019,200	5,190,200
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1           **(1) Sale and Distribution of Tobacco Products Enforcement:** Included in the  
 2   above General Fund appropriation is \$250,000 in fiscal year 2006-2007 and \$250,000 in  
 3   fiscal year 2007-2008 to carry out the provisions of KRS 438.337.

4   **12. CHARITABLE GAMING**

	<b>2006-07</b>	<b>2007-08</b>
6           Restricted Funds	3,299,600	3,343,200

7   **13. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION BOARD**

	<b>2006-07</b>	<b>2007-08</b>
9           General Fund	848,000	848,000
10          Restricted Funds	2,119,200	1,997,400
11          Federal Funds	540,100	540,100
12          TOTAL	3,507,300	3,385,500

13           **(1) Sexual Assault Examinations:** Notwithstanding KRS 216B.400(8),  
 14   examinations for reported victims of sexual assault shall be paid by the Crime Victims'  
 15   Compensation Board in a manner consistent with KRS Chapter 346, at a rate determined  
 16   by the Board. The Board shall reimburse the hospital or sexual assault examination  
 17   facility as provided in administrative regulations promulgated by the Board.

18   **14. FINANCIAL INSTITUTIONS**

	<b>2006-07</b>	<b>2007-08</b>
20          Restricted Funds	9,223,800	9,342,200

21   **15. HORSE RACING AUTHORITY**

	<b>2006-07</b>	<b>2007-08</b>
23          General Fund	1,709,700	509,700
24          Restricted Funds	27,934,800	27,778,100
25          TOTAL	29,644,500	28,287,800

26           ~~**{(1) Prohibition of Racing Dates Fee and Assessments:** The Horse Racing~~  
 27   ~~Authority is prohibited from imposing a fee or assessment on thoroughbred and~~

1 ~~standardbred race tracks, based on the number of racing dates allotted to each track.](Veto~~  
 2 ~~#9)~~

3 **(2) Management and Financial Audit:** A management and financial audit shall  
 4 be conducted by the Auditor of Public Accounts and shall be completed by December 31,  
 5 2006. A report shall be provided to the Interim Joint Committee on Licensing and  
 6 Occupations and the racing associations licensed pursuant to KRS Chapter 230.

7 **16. HOUSING, BUILDINGS AND CONSTRUCTION**

	2006-07	2007-08
9 General Fund	2,524,200	2,524,200
10 Restricted Funds	15,867,900	16,158,900
11 TOTAL	18,392,100	18,683,100

12 **17. INSURANCE**

	2006-07	2007-08
14 General Fund (Tobacco)	13,692,700	14,496,000
15 General Fund	6,500,000	13,500,000
16 Restricted Funds	22,110,700	22,318,000
17 TOTAL	42,303,400	50,314,000

18 **(1) Additional Personnel:** Included in the above Restricted Funds appropriation  
 19 is \$66,900 in fiscal year 2006-2007 and \$67,800 in fiscal year 2007-2008 to fill one  
 20 position in the Captive Insurance Program.

21 **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
 22 appropriation is \$13,692,700 in fiscal year 2006-2007 and \$14,496,000 in fiscal year  
 23 2007-2008 for the Kentucky Access Program.

24 **(3) Kentucky Access:** Notwithstanding KRS 304.17B-021, during the 2006-2008  
 25 biennium, the Secretary of the Environmental and Public Protection Cabinet may seek  
 26 authorization from the State Budget Director to reallocate excess unbudgeted operating  
 27 funds generated by the Office of Insurance to Kentucky Access. Any such funding

1 reallocations that are approved by the State Budget Director shall be reported to the  
 2 Interim Joint Committee on Appropriations and Revenue consistent with the provisions  
 3 of this Act.

4       **(4) Small Business Health Insurance:** Included in the above General Fund  
 5 appropriation is \$6,500,000 in fiscal year 2006-2007 and \$13,500,000 in fiscal year 2007-  
 6 2008 to fund the Small Business Health Insurance Subsidy Program.

7 **18. MINE SAFETY REVIEW COMMISSION**

8		<b>2006-07</b>	<b>2007-08</b>
9	General Fund	200,700	202,400

10 **19. MINE SAFETY AND LICENSING**

11		<b>2006-07</b>	<b>2007-08</b>
12	General Fund	9,522,600	9,522,600
13	Restricted Funds	1,437,200	1,635,900
14	Federal Funds	581,100	581,100
15	TOTAL	11,540,900	11,739,600

16       **(1) Coal Workers' Pneumoconiosis Fund:** Included in the above Restricted  
 17 Funds appropriation is \$952,000 in fiscal year 2006-2007 and \$952,000 in fiscal year  
 18 2007-2008 to support compliance, education, and training programs from the Coal  
 19 Workers' Pneumoconiosis Fund.

20       **(2) Necessary Mine Inspection Funding:** To adequately fund mine inspection  
 21 salaries beyond the personnel appropriation during the biennium, up to \$750,000 in each  
 22 fiscal year shall be deemed a necessary government expense and transferred from the  
 23 General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account  
 24 (KRS 48.705). These funds shall be transferred only upon certification of need by the  
 25 Secretary of the Environmental and Public Protection Cabinet to the Secretary of the  
 26 Finance and Administration Cabinet.

27 **20. PUBLIC SERVICE COMMISSION**



1		<b>2006-07</b>	<b>2007-08</b>
2	General Fund	12,624,800	13,006,000
3	Restricted Funds	850,000	850,000
4	Federal Funds	216,000	218,300
5	TOTAL	13,690,800	14,074,300

6       **(1) Debt Service:** Included in the above General Fund appropriation is \$589,000  
7 in fiscal year 2006-2007 and \$589,000 in fiscal year 2007-2008 for debt service for  
8 previously issued bonds.

9       **(2) Lapse of General Fund Appropriation Balance:** Notwithstanding KRS  
10 278.150(3), \$5,273,000 in fiscal year 2005-2006 shall lapse to the credit of the General  
11 Fund. Notwithstanding KRS 278.150(3), \$1,000,000 in fiscal year 2006-2007 and  
12 \$1,000,000 in fiscal year 2007-2008 shall lapse to the credit of the General Fund.

13       **(3) Water Districts and Water Associations:** A water district created pursuant  
14 to KRS Chapter 74 and a water association created pursuant to KRS Chapter 273 that  
15 undertakes a waterline extension or improvement project shall not be required to obtain a  
16 certificate of public convenience and necessity pursuant to KRS 278.020(1) if the water  
17 district or water association is a Class A or B utility as defined in the Uniform System of  
18 Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the  
19 system of accounts prescribed for utilities in Kentucky, and either: (a) The water line  
20 extension or improvement project will not cost in excess of \$500,000; or (b) The water  
21 district or water association will not, as a result of the water line extension or  
22 improvement project, incur obligations requiring Public Service Commission approval  
23 pursuant to KRS 278.300. In either case, the water district or water association shall not,  
24 as a result of the water line extension or improvement project, increase rates to its  
25 customers.

26       **(4) Kentucky Broadband Task Force Report:** The Kentucky Broadband Task  
27 Force shall examine the deployment of broadband, as defined in KRS 278.5461, in the

1 Commonwealth and provide to the Legislative Research Commission and to the  
 2 Governor a final report to be submitted no later than November 15, 2006.

3 **(5) Telecommunication Access Program:** Notwithstanding KRS 278.5499, the  
 4 funding mechanism for the telecommunication device for the deaf distribution program  
 5 shall allocate not more than two cents per access line per month.

6 **21. TAX APPEALS**

7		<b>2006-07</b>	<b>2007-08</b>
8	General Fund	471,400	465,400

9 **22. LABOR**

10		<b>2006-07</b>	<b>2007-08</b>
11	General Fund	2,453,400	2,456,800
12	Restricted Funds	116,986,200	117,654,300
13	Federal Funds	3,343,800	3,329,800
14	TOTAL	122,783,400	123,440,900

15 **23. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION**

16		<b>2006-07</b>	<b>2007-08</b>
17	Restricted Funds	500,600	510,900

18 **24. WORKERS' COMPENSATION BOARD**

19		<b>2006-07</b>	<b>2007-08</b>
20	Restricted Funds	937,900	949,500

21 **25. WORKERS' COMPENSATION FUNDING COMMISSION**

22		<b>2006-07</b>	<b>2007-08</b>
23	Restricted Funds	137,298,200	135,181,600

24 **(1) Commission Funding:** Notwithstanding KRS 342.122(1)(c), no General  
 25 Fund appropriation is provided to the Kentucky Workers' Compensation Funding  
 26 Commission in fiscal year 2006-2007 and fiscal year 2007-2008.

27 **(2) Mine Safety Funding:** Notwithstanding KRS 342.122(1)(a), \$952,000 in

each year of the biennium from the Coal Workers' Pneumoconiosis Fund shall support mine safety compliance, education, and training in the Office of Mine Safety and Licensing in the Department of Public Protection.

**TOTAL - ENVIRONMENTAL AND PUBLIC PROTECTION CABINET**

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
General Fund (Tobacco)	-0-	22,692,700	23,496,000
General Fund	21,000	99,373,800	109,122,500
Restricted Funds	-0-	429,877,200	424,874,300
Federal Funds	-0-	74,763,800	75,575,500
Road Fund	-0-	300,000	300,000
<b>TOTAL</b>	<b>21,000</b>	<b>627,007,500</b>	<b>633,368,300</b>

**G. FINANCE AND ADMINISTRATION CABINET**

**Budget Units**

**1. GENERAL ADMINISTRATION**

	<b>2006-07</b>	<b>2007-08</b>
General Fund	10,281,500	10,442,600
Restricted Funds	34,891,600	34,756,000
Road Fund	400,000	400,000
<b>TOTAL</b>	<b>45,573,100</b>	<b>45,598,600</b>

**(1) Affordable Housing Trust Fund:** Included in the above Restricted Funds appropriation is \$4,300,000 in fiscal year 2006-2007 and \$4,300,000 in fiscal year 2007-2008 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008.

**(2) Trooper Island, Inc.:** The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to Trooper Island, Inc.,

1 \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008.

2       **(3) Gubernatorial Transition:** Funds that are necessary to meet the  
3 Commonwealth's obligations for gubernatorial transition, up to but not to exceed  
4 \$220,000 in fiscal year 2007-2008, shall be deemed a necessary government expense, and  
5 shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget  
6 Reserve Trust Fund Account (KRS 48.705).

7       **2. CONTROLLER**

8		<b>2006-07</b>	<b>2007-08</b>
9	General Fund	10,954,300	10,954,300
10	Restricted Funds	2,052,700	2,052,900
11	Federal Funds	1,000,000	1,000,000
12	TOTAL	14,007,000	14,007,200

13       **(1) Social Security Contingent Liability Fund:** Any expenditures that may be  
14 required by KRS 61.470 are hereby deemed necessary government expenses and shall be  
15 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any  
16 available balance in either the Judgments budget unit appropriation or the Budget Reserve  
17 Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in  
18 this Act.

19       **3. DEBT SERVICE**

20		<b>2006-07</b>	<b>2007-08</b>
21	General Fund (Tobacco)	17,842,700	17,847,400
22	General Fund	328,147,100	327,397,800
23	TOTAL	345,989,800	345,245,200

24       **(1) New Debt Service:** Included in the above General Fund appropriation is  
25 \$3,492,000 in fiscal year 2006-2007 and \$11,137,000 in fiscal year 2007-2008 to support  
26 new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation  
27 units within the Finance and Administration Cabinet.

1       **(2) Tobacco Settlement Funds - Debt Service:** To the extent that revenues  
 2 sufficient to support the required debt service appropriations are received from the  
 3 Tobacco Settlement Program, those revenues shall be made available from those accounts  
 4 to the appropriate account of the General Fund. All necessary debt service amounts shall  
 5 be appropriated from the General Fund and shall be fully paid regardless of whether there  
 6 is a sufficient amount available to be transferred from tobacco-supported funding  
 7 program accounts to other accounts of the General Fund.

8       **4. FACILITIES AND SUPPORT SERVICES**

9		<b>2006-07</b>	<b>2007-08</b>
10	General Fund	7,518,200	7,526,800
11	Restricted Funds	29,908,400	30,360,400
12	TOTAL	37,426,600	37,887,200

13       **(1) Capital Construction Contingency Fund:** If funds in the Capital  
 14 Construction Contingency Fund are not sufficient, then expenditures of the fund are to be  
 15 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the  
 16 Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and  
 17 procedures provided in this Act.

18       **(2) Emergency Repair, Maintenance, and Replacement Fund:** If funds in the  
 19 Emergency Repair, Maintenance, and Replacement Fund are not sufficient, then  
 20 expenditures of the fund are to be paid first from the General Fund Surplus Account  
 21 (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS  
 22 48.705), subject to the conditions and procedures provided in this Act.

23       **5. COUNTY COSTS**

24		<b>2006-07</b>	<b>2007-08</b>
25	General Fund	19,181,500	20,481,500
26	Restricted Funds	1,950,000	1,950,000
27	TOTAL	21,131,500	22,431,500

1       **(1) County Costs:** Funds required to pay county costs are appropriated and  
 2 additional funds may be allotted from the General Fund Surplus Account (KRS 48.700)  
 3 or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance  
 4 and Administration Cabinet, subject to the conditions and procedures provided in this  
 5 Act.

6       **6. COMMONWEALTH OFFICE OF TECHNOLOGY**

	<b>2006-07</b>	<b>2007-08</b>
8           Restricted Funds	61,168,500	62,962,400
9           Federal Funds	863,100	775,000
10          TOTAL	62,031,600	63,737,400

11       ~~[(1) **Reporting Requirements:** The Commonwealth Office of Technology shall~~  
 12 ~~report semiannually to the Interim Joint Committee on Appropriations and Revenue the~~  
 13 ~~number of sole source contracts, amounts awarded for sole source contracts, and the~~  
 14 ~~purposes of the sole source contracts; and the number of contract employees, the amount~~  
 15 ~~expended for contract employees, the projects contract employees worked on, and a~~  
 16 ~~justification why state merit employees were not used.] (Veto #10)~~

17       **7. REVENUE**

	<b>2006-07</b>	<b>2007-08</b>
19           General Fund (Tobacco)	175,000	175,000
20           General Fund	71,880,000	73,234,300
21           Restricted Funds	4,381,500	4,378,600
22           Road Fund	2,000,000	2,000,000
23          TOTAL	78,436,500	79,787,900

24       **(1) Insurance Surcharge Rate:** Pursuant to KRS 136.392, the insurance  
 25 surcharge rate shall be calculated at a rate to provide sufficient funds in the 2006-2008  
 26 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law  
 27 Enforcement Foundation Program Fund. The calculation of sufficient funds for the

above-named programs shall include any Restricted Funds carried forward from fiscal years 2005-2006 and 2006-2007 provided by the General Assembly in this Act.

**(2) Road Fund Compliance and Motor Vehicle Property Tax Programs:** The above Road Fund appropriation in each fiscal year represents the cost of the Road Fund Compliance and Motor Vehicle Property Tax Programs within the Department of Revenue and is to be used exclusively for that purpose.

**(3) Operations of Revenue:** Notwithstanding KRS 132.672 and 365.390(2), funds may be expended in support of the operations of the Department of Revenue.

**(4) Debt Collection Fee Distribution:** Notwithstanding KRS 45.238(3), 45.240(3) and 45.241(7)(b), the Secretary of the Finance and Administration Cabinet may determine, on an equitable basis, that all or a portion of any debt or improper payment recovered by the Department of Revenue pursuant to the provisions of KRS 45.237, 45.238 and 45.241 may be returned to the agency certifying the debt or improper payment or to the Court of Justice for allocation as otherwise provided by law.

The Department of Revenue may promulgate an administrative regulation pursuant to KRS Chapter 13A to establish criteria to administer the provisions of this section.

## **8. PROPERTY VALUATION ADMINISTRATORS**

	<b>2006-07</b>	<b>2007-08</b>
General Fund	32,769,300	33,399,300
Restricted Funds	4,319,400	4,319,400
<b>TOTAL</b>	<b>37,088,700</b>	<b>37,718,700</b>

**(1) Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597, the property valuation administrators are authorized to take necessary actions to manage expenditures within the appropriated amounts contained in this Act.

## **TOTAL - FINANCE AND ADMINISTRATION CABINET**

	<b>2006-07</b>	<b>2007-08</b>
General Fund (Tobacco)	18,017,700	18,022,400

1	General Fund	480,731,900	483,436,600
2	Restricted Funds	138,672,100	140,779,700
3	Federal Funds	1,863,100	1,775,000
4	Road Fund	2,400,000	2,400,000
5	TOTAL	641,684,800	646,413,700

## 6                   **H. CABINET FOR HEALTH AND FAMILY SERVICES**

### 7   **Budget Units**

#### 8   **1.   GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

9		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
10	General Fund	-0-	35,015,700	34,600,000
11	Restricted Funds	450,000	11,405,400	11,417,500
12	Federal Funds	-0-	43,040,700	42,408,400
13	TOTAL	450,000	89,461,800	88,425,900

14       **(1) Maximizing Federal Funds:** Pursuant to compliance with the  
15 State/Executive Branch Budget Bill and the Statutory Budget Memorandum, the Cabinet  
16 for Health and Family Services shall maximize Federal Funds for programs within the  
17 Cabinet.

18       **(2) Human Services Transportation Delivery:** Notwithstanding KRS 281.014,  
19 the Kentucky Works Program shall not participate in the Human Services Transportation  
20 Delivery Program or the Coordinated Transportation Advisory Committee.

21       **(3) Debt Service:** Included in the above General Fund appropriation is \$220,000  
22 in fiscal year 2007-2008 for debt service for new bonds as set forth in Part II, Capital  
23 Projects Budget, of this Act.

24       **(4) Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any  
25 provisions of this Act to the contrary, direct service units of the Office of Inspector  
26 General, Department for Human Support Services, Commission for Children with Special  
27 Health Care Needs, Department for Disability Determination Services, Department for



1 Community Based Services, Department for Medicaid Services, Department for Mental  
 2 Health/Mental Retardation Services, and the Department for Public Health shall be  
 3 authorized to establish and fill such positions as are 100 percent federally funded for  
 4 salary and fringe benefits.

5 **2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

	2006-07	2007-08
6		
7 General Fund (Tobacco)	312,100	352,000
8 General Fund	5,835,400	5,917,000
9 Restricted Funds	6,696,100	6,773,400
10 Federal Funds	4,379,000	4,379,000
11 TOTAL	17,222,600	17,421,400

12 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
 13 appropriation is \$310,100 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008  
 14 for Universal Newborn Hearing Screening and \$2,000 in each fiscal year for Vision  
 15 Screening.

16 **3. MEDICAID SERVICES**

17 **a. Medicaid Administration**

	2005-06	2006-07	2007-08
18			
19 General Fund	17,198,900	37,882,400	36,441,700
20 Restricted Funds	-0-	14,075,000	13,080,000
21 Federal Funds	24,271,000	56,945,500	46,579,400
22 TOTAL	41,469,900	108,902,900	96,101,100

23 **(1) Transfer of Excess Administrative Funds for Medicaid Benefits:** If any  
 24 portion of the above General Fund appropriation in either fiscal year is deemed to be in  
 25 excess of the necessary expenses for administration of the Department, the amount may  
 26 be used for Medicaid Benefits, in accordance with statutes governing the functions and  
 27 activities of the Department for Medicaid Services. In no instance shall these excess

1 funds be used without prior written approval of the State Budget Director to:

- 2 (a) Establish a new program;
- 3 (b) Expand the services of an existing program; or
- 4 (c) Increase rates or payment levels in an existing program.

5 Any transfer authorized under this section shall be approved by the Secretary of the  
6 Finance and Administration Cabinet upon recommendation of the State Budget Director.

7 **(2) Medicaid Service Category Expenditure Information:** No Medicaid  
8 managed care contract shall be valid, and no payment to a Medicaid managed care vendor  
9 by the Finance and Administration Cabinet or the Cabinet for Health and Family Services  
10 shall be made, unless the Medicaid managed care contract contains a provision that the  
11 contractor shall collect Medicaid expenditure data by the categories of services paid for  
12 by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories  
13 of Medicaid services, including mandated and optional Medicaid services, special  
14 expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital,  
15 shall be compiled by the Department for Medicaid Services for all Medicaid providers  
16 and forwarded to the Interim Joint Committee on Appropriations and Revenue on a  
17 quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services  
18 shall be provided to the Interim Joint Committee on Appropriations and Revenue upon  
19 request.

20 **(3) Medicaid Eligibility Determination Contract Funding:** Included in the  
21 above General Fund and Restricted Funds appropriations are the total state matching  
22 funds required to fully fund the Medicaid Eligibility Determination contract in each year  
23 of the fiscal biennium between the Department for Medicaid Services and Department for  
24 Community Based Services.

25 **b. Medicaid Benefits**

26		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
27	General Fund	68,101,100	1,001,577,900	1,041,097,000

1	Restricted Funds	5,021,900	383,400,500	388,805,100
2	Federal Funds	215,142,900	3,100,931,200	3,212,280,900
3	TOTAL	288,265,900	4,485,909,600	4,642,183,000

4       **(1) Supports for Community Living Slots:** Included in the above appropriation  
5 is \$1,856,300 in General Fund moneys and \$4,331,200 in Federal Funds in fiscal year  
6 2006-2007 to support 100 additional Supports for Community Living slots and  
7 \$6,393,800 in General Fund moneys and \$14,918,700 in Federal Funds in fiscal year  
8 2007-2008 to support 100 additional Supports for Community Living slots for a total of  
9 200 additional slots.

10       Supports for Community Living Waiver funds shall be utilized only for direct  
11 services to qualified Supports for Community Living Waiver recipients, and any  
12 unexpended funds shall not lapse but shall be carried forward to the next fiscal year for  
13 the same purpose.

14       **(2) Carry Forward of General Fund Appropriation Balance:** Notwithstanding  
15 KRS 45.229, any General Fund appropriation unexpended in fiscal year 2006-2007 shall  
16 not lapse, but shall be carried forward into the next fiscal year.

17       **(3) Disproportionate Share Hospital Program:** Hospitals shall report indigent  
18 inpatient and outpatient care for which, under federal law, the hospital is eligible to  
19 receive disproportionate share payments. Disproportionate Share Hospital payments shall  
20 equal the maximum amounts established by federal law.

21       **(4) Hospital Indigent Patient Billing:** Hospitals shall not bill patients for  
22 services where the services have been reported to the Cabinet and the hospital has  
23 received disproportionate share payments for the specific services.

24       **(5) Provider Tax Information:** Any provider who posts a sign or includes  
25 information on customer receipts or any material distributed for public consumption  
26 indicating that it has paid provider tax shall also post, in the same size typeset as the  
27 provider tax information, the amount of payment received from the Department for

1 Medicaid Services during the same period the provider tax was paid. Providers who fail  
2 to meet this requirement shall be excluded from the Disproportionate Share Hospital and  
3 Medicaid Programs. The Cabinet for Health and Family Services shall include this  
4 provision in facilities' annual licensure inspection.

5       **(6) Quality and Charity Care Trust Fund:** No hospital shall be reimbursed  
6 from both the Quality and Charity Care Trust Fund and the Disproportionate Share  
7 Hospital Program for the same service to the same patient. Any hospital that willfully  
8 violates this provision shall be subject to a penalty equal to three times the amount of the  
9 improper charge to the funds, which shall be credited to the General Fund. The Secretary  
10 of the Cabinet for Health and Family Services shall have the authority to secure the  
11 patient information as needed from the participating facilities in order to determine  
12 compliance and enforce this provision. Each facility billing and receiving reimbursements  
13 from the Quality and Charity Care Trust Fund shall be required to identify each patient by  
14 Social Security number and indicate whether the patient is classified as indigent or  
15 medically needy. Notwithstanding any other provision of this Act or law, in any fiscal  
16 year for which all the parties to the Quality and Charity Care Trust Agreement so agree,  
17 the General Fund appropriation to fulfill the Commonwealth's contractual obligation  
18 relating to the Quality and Charity Care Trust Agreement or any portion thereof, together  
19 with any other funds paid to the Quality and Charity Care Trust contractual obligation of  
20 the parties, or any portion thereof, shall be transferred to the Department for Medicaid  
21 Services as part of its Restricted Funds appropriation for Medicaid Benefits. In any fiscal  
22 year for which all the parties to the Quality and Charity Care Trust Agreement do not  
23 agree to transfer all or any portion of the Trust's revenues to the Department for Medicaid  
24 Services for Medicaid Benefits, the Quality and Charity Care Trust shall operate pursuant  
25 to its contractual provisions.

26       **(7) Kentucky Children's Health Insurance Program (KCHIP):** The Secretary  
27 of the Cabinet for Health and Family Services may transfer funds from Medicaid Benefits

1 to the KCHIP General Fund or Restricted Funds appropriations to be used to match the  
2 Federal Funds allocation. These transfers may be made to cover both additional regular  
3 allocations and redistribution from the federal government. The Secretary shall  
4 recommend any proposed transfer to the State Budget Director for review and  
5 concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to  
6 the transfer, the Secretary shall make the appropriate interim appropriation increase  
7 requests pursuant to KRS 48.630.

8 **(8) Intergovernmental Transfers (IGT's):** Any funds received through an IGT  
9 agreement between the Department for Medicaid Services and other governmental  
10 entities, in accordance with a federally approved State Plan amendment, shall be used to  
11 provide for the health and welfare of the citizens of the Commonwealth through the  
12 provision of Medicaid Benefits. Revenues from IGT's are contingent upon agreement by  
13 the parties and, when negotiated, the Secretary of the Cabinet for Health and Family  
14 Services shall make the appropriate interim appropriations increase requests pursuant to  
15 KRS 48.630.

16 **(9) Medicaid Budget Analysis Reports:** The Department for Medicaid Services  
17 shall submit a quarterly budget analysis report to the Interim Joint Committee on  
18 Appropriations and Revenue. The report shall provide monthly detail of actual  
19 expenditures, eligibles, and average monthly cost per eligible by eligibility category along  
20 with current trailing 12-month averages for each of these figures. The report shall also  
21 provide actual figures for all categories of noneligible-specific expenditures such as  
22 Supplemental Medical Insurance premiums, Kentucky Patient Access to Care,  
23 nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share  
24 Hospital payments by type of hospital. The report shall compare the actual expenditure  
25 experience with those underlying the enacted or revised enacted budget and explain any  
26 significant variances which may occur.

27 **(10) Medicaid Benefits Budget Deficit:** In the event Medicaid Benefits

1 expenditures are projected to exceed available funds, the Secretary of the Cabinet for  
2 Health and Family Services shall be empowered to recommend that reimbursement rates,  
3 optional services, eligibles, or programs be reduced or maintained at levels existing at the  
4 time of the projected deficit in order to avoid a budget deficit. The projected deficit shall  
5 be confirmed by the Office of State Budget Director. No service, eligible, or program  
6 reductions shall be implemented by the Cabinet for Health and Family Services without  
7 written notice of such action to the Interim Joint Committee on Appropriations and  
8 Revenue and the State Budget Director. Such actions taken by the Cabinet for Health and  
9 Family Services shall be reported, upon request, at the next meeting of the Interim Joint  
10 Committee on Appropriations and Revenue.

11 **(11) Medicaid Benefits Budget Surplus:** In the event Medicaid Benefits  
12 expenditures are less than available funds, the Secretary of the Cabinet for Health and  
13 Family Services may recommend the utilization of available funds to increase  
14 reimbursement rates, support program administration, or expand the Medicaid Program or  
15 the number of eligibles. No reimbursement rate, service, eligible, or program shall be  
16 increased without written approval of the State Budget Director and a report to the  
17 Interim Joint Committee on Appropriations and Revenue.

18 **(12) Transfer of Medicaid Benefits Funds for Medicaid Modernization:** Any  
19 portion of the General Fund appropriation in either fiscal year that is deemed to be  
20 necessary for the administration of the Medicaid Modernization initiative may be  
21 transferred from Medicaid Benefits in accordance with statutes governing the functions  
22 and activities of the Department for Medicaid Services. The Secretary shall recommend  
23 any proposed transfer to the State Budget Director for approval prior to transfer. Such  
24 action shall be reported by the Cabinet for Health and Family Services to the Interim Joint  
25 Committee on Appropriations and Revenue.

26 **(13) Critical Access Hospitals:** Notwithstanding 2004 Ky. Acts ch. 56, sec. 2,  
27 through June 30, 2008, no acute care hospital shall convert to a critical access hospital

1 unless the hospital has either received funding for a feasibility study from the Kentucky  
2 State Office of Rural Health or filed a written request by January 1, 2006, with the  
3 Kentucky State Office of Rural Health requesting funding for conducting a feasibility  
4 study.

5 **(14) Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for  
6 Medicaid Services may impose copayments for services rendered to Medicaid recipients  
7 not to exceed the amounts permitted by federal authority.

8 **(15) Medicaid State Match for Preventive Services By Local and District**  
9 **Health Departments:** Included in the above appropriation in each year of the fiscal  
10 biennium are the total state matching funds required to fully support preventive health  
11 services provided to Medicaid recipients through local and district health departments.  
12 Such services shall continue, at a minimum, at the current level of effort.

13 **(16) Quarterly Cost Containment Reporting:** The Cabinet for Health and Family  
14 Services shall submit a quarterly report to the Interim Joint Committee on Appropriations  
15 and Revenue on cost-containment initiatives implemented to reduce costs in the Medicaid  
16 Program, including the actual experience compared to projected savings for each  
17 initiative. In addition, this report shall include any anticipated initiatives to be  
18 implemented to reduce Medicaid costs, including a projection for savings from each  
19 initiative and implementation date. If applicable, the report shall also include a list of  
20 anticipated Medicaid Program expansions, including projected costs and implementation  
21 dates.

22 **(17) Adult Day Care Service Rate Increase:** Included in the above appropriation  
23 is \$700,000 in Restricted Funds and \$1,595,100 in Federal Funds in fiscal year 2006-  
24 2007 and \$700,000 in Restricted Funds and \$1,601,100 in Federal Funds in fiscal year  
25 2007-2008 to increase reimbursement rates for Adult Day Care services.

26 **(18) School-based Health Service Expansion:** Included in the above  
27 appropriation is \$250,000 in Restricted Funds and \$569,700 in Federal Funds in fiscal

1 year 2006-2007 and \$250,000 in Restricted Funds and \$571,800 in Federal Funds in  
2 fiscal year 2007-2008 to expand school-based health services.

3 **(19) Ambulance Fee Increase:** The Department for Medicaid Services shall  
4 continue ambulance reimbursement during each fiscal year at the rate level established by  
5 the 2005 General Assembly for fiscal year 2005-2006.

6 **(20) Model II Waiver Expansion:** Included in the above appropriation is  
7 \$1,000,000 in General Fund support and \$2,278,700 in Federal Funds in fiscal year 2006-  
8 2007 and \$1,000,000 in General Fund support and \$2,287,300 in Federal Funds in fiscal  
9 year 2007-2008 to expand Model II waiver services to approximately 40 additional  
10 ventilator-dependent patients.

11 **(21) Breast and Cervical Cancer Treatment Expansion:** Included in the above  
12 appropriation is \$150,000 in Restricted Funds and \$341,800 in Federal Funds in fiscal  
13 year 2006-2007 and \$150,000 in Restricted Funds and \$343,100 in Federal Funds in  
14 fiscal year 2007-2008 to expand the Breast and Cervical Cancer Treatment Services  
15 Program.

16 **(22) General Fund Carry Forward:** Notwithstanding KRS 45.229, included in  
17 the above General Fund appropriation is \$3,264,000 in fiscal year 2005-2006 which shall  
18 be carried forward and utilized to support Medicaid Benefits expenditures in fiscal year  
19 2006-2007 and \$2,387,300 in fiscal year 2006-2007 which shall be carried forward and  
20 utilized to support Medicaid Benefits expenditures in fiscal year 2007-2008.

21 **(23) Hospital Provider Tax and Enhanced Payments:** Notwithstanding KRS  
22 142.303 or the 2004-2006 State/Executive Branch Budget (2005 Ky. Acts ch. 173)  
23 establishing a lower amount of tax, hospital provider tax collections in fiscal year 2005-  
24 2006 shall not be less than \$180,000,000. Notwithstanding KRS 205.640 and any other  
25 provision of the Kentucky Revised Statutes to the contrary, the Department for Medicaid  
26 Services shall use these funds to maintain and continue the hospital inpatient payment  
27 enhancements to Kentucky hospitals adopted in fiscal year 2005-2006 and the additional



1 funding allocated by the Department to enhance reimbursement to hospitals paid under  
2 managed care arrangements. If the aggregate tax collected from all hospitals in fiscal year  
3 2005-2006 pursuant to KRS 142.303 is less than \$180,000,000, each hospital shall pay an  
4 additional provider tax in an amount equal to its pro rata share of the difference, based on  
5 its taxes paid in relation to total hospital taxes paid in the prior fiscal year. If the hospital  
6 provider tax paid in fiscal year 2005-2006 pursuant to KRS 142.303 is greater than  
7 \$180,000,000, the amount in excess of \$180,000,000 shall be deposited into the "Hospital  
8 Payment Improvement Trust Fund," which is hereby created in the State Treasury as a  
9 trust and agency account, and shall be matched with Federal Funds for the sole use of  
10 increasing reimbursement to Kentucky hospitals, including those paid under managed  
11 care arrangements. To the extent that funds remain in the trust fund established by 2005  
12 Ky. Acts ch. 173, Part I, H.3.b.(7), those funds shall be transferred to the fund created in  
13 this subsection, and shall be used for the purposes stated above. Any outstanding  
14 payments due pursuant to the provisions of 2005 Ky. Acts ch. 173, Part I, H.3.b.(7) shall  
15 be retroactive to the beginning of fiscal year 2005-2006 and shall be paid no later than  
16 July 30, 2006.

17 Notwithstanding KRS 142.303, hospital provider tax collections for fiscal year  
18 2006-2007 and fiscal year 2007-2008 shall be not less than \$180,000,000, but shall not  
19 exceed the amount of the aggregate provider taxes paid by hospitals in fiscal year 2005-  
20 2006. Notwithstanding KRS 205.640 and any other provision of the Kentucky Revised  
21 Statutes to the contrary, the Department for Medicaid Services shall use these funds to  
22 maintain and continue the hospital inpatient payment enhancements to Kentucky  
23 hospitals adopted in fiscal year 2005-2006 and the additional funding allocated by the  
24 Department to enhance reimbursement to hospitals paid under managed care  
25 arrangements. Notwithstanding KRS 142.301 to 142.363, taxes due in fiscal year 2006-  
26 2007 and in fiscal year 2007-2008 shall be paid in 12 equal monthly installments, except  
27 as otherwise provided below, with each payment due no later than 20 days after the last

1 day of each calendar month. At least 30 days prior to the beginning of the fiscal year, the  
 2 Department of Revenue shall send written notice to each hospital of the hospital's  
 3 estimated total tax liability for the year, which shall be the amount the hospital paid in  
 4 taxes in fiscal year 2005-2006. The estimate for fiscal year 2006-2007 shall be based on  
 5 actual payments for the first ten months of fiscal year 2005-2006, and an estimated  
 6 amount for the last two months of fiscal year 2005-2006. Any adjustment in the total  
 7 payment amount due to differences between the estimated and actual payments for the  
 8 last two months of fiscal year 2005-2006 shall be made in the final payment due for fiscal  
 9 year 2006-2007. In the case of a new hospital that did not operate in state fiscal year  
 10 2005-2006, the hospital shall be taxed pursuant to KRS 142.303. Any hospital provider  
 11 tax collections in excess of \$180,000,000 in fiscal year 2006-2007 or in fiscal year 2007-  
 12 2008 shall be deposited into the "Hospital Payment Improvement Trust Fund," which is  
 13 hereby created in the State Treasury as a trust and agency account, and shall be matched  
 14 with Federal Funds for the sole use of increasing reimbursement to Kentucky hospitals,  
 15 including those paid under managed care arrangements. Any payments due pursuant to  
 16 this section shall be made by July 30 of each fiscal year.

17 **(24) Acquired Brain Injury Waiver Program:** Included in the above  
 18 appropriation is \$1,000,000 in General Fund moneys and \$2,278,700 in Federal Funds in  
 19 fiscal year 2006-2007 and \$1,000,000 in General Fund moneys and \$2,287,300 in Federal  
 20 Funds in fiscal year 2007-2008 to support 65 additional individuals through the Acquired  
 21 Brain Injury Waiver Program.

22 **(25) Medicaid Pharmacy:** Notwithstanding KRS 205.6312(4), a pharmacy  
 23 provider participating in the Medical Assistance Program shall not be required to serve an  
 24 eligible recipient if the recipient does not make the required copayment at the time of  
 25 service, except for an initial encounter when a recipient presents a condition which could  
 26 result in harm to the recipient if left untreated, in which case the pharmacist shall  
 27 dispense a 72 hour emergency supply of the required medicine. The recipient may then

return to the pharmacy with the necessary copayment to obtain the remainder of the prescription. Only one dispensing fee shall be paid by the Cabinet for the provision of both the emergency supply and the remainder of the prescription.

**(26) Appeals:** An appeal for denial of a service or services provided by a Medicaid managed care organization for medical necessity, or denial, limitation, or termination of a health care service in a case involving a medical or surgical specialty or subspecialty, shall, upon request of the recipient, authorized person, or provider, include a review by a board-eligible or board-certified physician in the appropriate specialty or subspecialty area; except in the case of a health care service rendered by a chiropractor or optometrist, in which case, the denial shall be made respectively by a chiropractor or optometrist duly licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The physician reviewer shall not have participated in the initial review and denial of service and shall not be the provider of service or services under consideration in the appeal.

#### **4. MENTAL HEALTH AND MENTAL RETARDATION SERVICES**

	<b>2006-07</b>	<b>2007-08</b>
General Fund (Tobacco)	800,000	800,000
General Fund	185,755,200	194,117,600
Restricted Funds	207,572,000	210,790,500
Federal Funds	44,300,200	43,682,000
<b>TOTAL</b>	<b>438,427,400</b>	<b>449,390,100</b>

**(1) Disproportionate Share Hospital Funds:** Mental health disproportionate share funds are budgeted at the maximum amounts permitted by the Federal Balanced Budget Act of 1997, as amended by the Federal Benefits Improvements and Protection Act of 2000 and the Medicare Modernization Act of 2003, in the amount of \$34,567,300 in each fiscal year.

**(2) Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses:** The

1 Department for Mental Health and Mental Retardation Services shall provide at least  
 2 \$12,500 each fiscal year to be distributed to support the continued operation of the 14  
 3 regional planning councils and Commission activities relating to the mandates of KRS  
 4 210.500, 210.502, 210.504, 210.506, and 210.509, through June 30, 2008. The regional  
 5 planning councils shall make recommendations for, and the Commission shall develop, a  
 6 two-year work plan for specifying goals and strategies relating to services and supports  
 7 for individuals with mental illness, alcohol and other drug disorders, and dual diagnoses,  
 8 and efforts to reduce the stigma associated with mental illness and other substance abuse  
 9 disorders. The Commission shall report workgroup activities and findings to the  
 10 Governor and the Interim Joint Committee on Health and Welfare by December 1 of each  
 11 year.

12 **(3) Debt Service:** Included in the above General Fund appropriation in fiscal year  
 13 2007-2008 is \$101,000 for debt service to support new bonds as set forth in Part II,  
 14 Capital Projects Budget, of this Act.

15 **(4) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
 16 appropriation is \$800,000 in each fiscal year for substance abuse prevention and  
 17 treatment for pregnant women with a history of substance abuse problems.

18 **(5) Replacement of Eastern State Hospital:** The Secretary of the Cabinet for  
 19 Health and Family Services, in compliance with KRS 210.370 to 210.485 and KRS  
 20 Chapter 45A, shall be authorized to provide for the replacement and continuing operation  
 21 of Eastern State Hospital. The Cabinet for Health and Family Services shall solicit  
 22 proposals for such replacement by no later than January 1, 2007.

23 **(6) Prior Notice Process for Changes to the Operations of Central State**  
 24 **Hospital Intermediate Care Facility for the Mentally Retarded/Developmentally**  
 25 **Disabled (ICF MR/DD):** Notwithstanding KRS 210.045(1)(g), 210.045(1)(h), and  
 26 210.045(2), the 60 day notice requirement contained in KRS 210.045 is suspended until  
 27 July 1, 2008, for changes to Central State Hospital ICF MR/DD as referenced in

1 subsection (7) of this section. However, the remaining provisions of KRS 210.045 shall  
2 continue to be in effect.

3 **(7) Hazelwood Intermediate Care Facility for the Mentally**  
4 **Retarded/Developmentally Disabled (ICF MR/DD):** The Cabinet for Health and  
5 Family Services may procure, through the process established by KRS Chapter 45A, a  
6 contractual arrangement for a nonstate agency to construct residential units to  
7 accommodate the transfer of licensed ICF MR/DD beds at Central State Hospital to the  
8 Hazelwood campus. The Cabinet may use these units to house residents currently located  
9 at Central State ICF MR/DD. Requests for Proposals shall be issued no later than January  
10 1, 2007, for the construction of the residential units to accommodate the transfer of  
11 licensed ICF MR/DD beds at Central State to the Hazelwood campus, and the  
12 construction of an outpatient psychiatric physical health clinic and an outpatient  
13 psychiatric dental clinic on the campus of Hazelwood ICF MR/DD.

14 **(8) Crisis Stabilization Mental Health Services through Regional Mental**  
15 **Health/Mental Retardation (MH/MR) Boards:** Included in the above General Fund  
16 appropriation is \$3,027,400 in fiscal year 2006-2007 and \$3,077,500 in fiscal year 2007-  
17 2008 to support crisis stabilization mental health services provided through regional  
18 MH/MR boards, including \$127,400 in fiscal year 2006-2007 and \$177,500 in fiscal year  
19 2007-2008 for mental inquest warrant patients served by Hardin Memorial Hospital.

20 **(9) Wellsprings David Block Crisis Stabilization Unit:** Included in the above  
21 General Fund appropriation is \$500,000 in each fiscal year to establish the Wellsprings  
22 David Block Crisis Stabilization Unit in Louisville, Kentucky to provide mental health  
23 crisis stabilization services.

24 **(10) Aging Caregivers One-Stop Shop:** Included in the above General Fund  
25 appropriation is \$200,000 in each fiscal year to establish an Aging Caregivers One-Stop  
26 Shop to provide aging caregivers with information, consultation, and assistance with  
27 choices and planning for long-term supports for individuals with mental retardation and

1 developmental disability.

2 **5. PUBLIC HEALTH**

3		2006-07	2007-08
4	General Fund (Tobacco)	14,000,900	14,721,100
5	General Fund	70,899,700	73,823,000
6	Restricted Funds	71,482,700	71,599,000
7	Federal Funds	169,426,000	169,878,400
8	TOTAL	325,809,300	330,021,500

9 **(1) Health Kentucky:** Included in the above General Fund appropriation is  
10 \$150,000 in fiscal year 2006-2007 for Health Kentucky, Inc.

11 **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
12 appropriation is \$7,149,800 in fiscal year 2006-2007 and \$7,599,900 in fiscal year 2007-  
13 2008 for the Health Access Nurturing Development Services Program; \$1,000,000 in  
14 fiscal year 2006-2007 and \$1,140,100 in fiscal year 2007-2008 for Healthy Start  
15 initiatives; \$1,750,000 in each fiscal year for Universal Children's Immunizations;  
16 \$400,000 in each fiscal year for the Folic Acid Program; \$775,000 in each fiscal year for  
17 Early Childhood Mental Health; \$210,500 in each fiscal year for Early Childhood Oral  
18 Health; \$2, 215,600 in fiscal year 2006-2007 and \$2,345,600 in fiscal year 2007-2008 for  
19 the Smoking Cessation Program; and \$500,000 in each fiscal year for the Kentucky Early  
20 Intervention Services First Steps Program.

21 **(3) Governor's Council on Wellness and Physical Activity:** Included in the  
22 above General Fund appropriation is \$1,000,000 in fiscal year 2006-2007 and \$1,500,000  
23 in fiscal year 2007-2008 for the Governor's Council on Wellness and Physical Activity to  
24 develop and implement a statewide fitness program available to all Kentuckians that  
25 promotes fitness and wellness for persons of all ages and fitness levels.

26 **(4) Local and District Health Department Payments:** The Department for  
27 Public Health shall not impose a cap or other restriction on the number or amount of

1 services that a Local or District Health Department may provide. The Department for  
2 Public Health shall submit all requests for payment for services provided to the  
3 Department for Medicaid Services that are submitted by a Local or District Health  
4 Department.

5 **(5) Medicaid State Match for Preventive Services Through Local and**  
6 **District Health Departments:** Included in the Medicaid Benefits appropriation is the  
7 total General Fund state matching dollars required in each fiscal year to fully support  
8 preventive health services provided to Medicaid recipients through Local and District  
9 Health Departments.

10 **(6) Health Insurance for Local and District Health Departments:** Included in  
11 the above General Fund appropriation is \$6,174,000 each fiscal year to assist the Local  
12 and District Health Departments with the required increased employer contribution for  
13 employee health insurance. These funds shall be distributed to the Local and District  
14 Health Departments at least quarterly.

15 **(7) Diabetes Services:** Included in the above General Fund appropriation is  
16 \$2,300,000 in fiscal 2006-2007 and \$3,050,000 in fiscal year 2007-2008 for continuation  
17 of base services through Local or District Health Departments.

18 **(8) Diabetes Research Board:** Included in the above General Fund appropriation  
19 is \$200,000 in each fiscal year, which shall be allocated to the Diabetes Research Board.

20 **(9) Diabetes Centers of Excellence:** Included in the above General Fund  
21 appropriation is \$750,000 each fiscal year to establish three regional Diabetes Centers of  
22 Excellence. Services within the Centers will be based on the number of Medicaid  
23 recipients diagnosed with diabetes within the area. These centers shall be designed to  
24 provide education, intervention therapy, and case management services and shall  
25 demonstrate the effectiveness of this intervention with outcomes and reduced Medicaid  
26 expenditures for this disease.

27 **(10) Local and District Health Department Infrastructure Pool:** Included in the

1 above General Fund appropriation is \$466,000 in fiscal year 2007-2008 to provide debt  
 2 service to support \$10,000,000 in bonds for a Local and District Health Department  
 3 Infrastructure Pool to be administered by the Department for Public Health to address a  
 4 portion of the construction and renovation needs of the local public health agencies as set  
 5 forth in Part II, Capital Projects Budget, of this Act. The Department for Public Health  
 6 shall establish an application process to participate in this pool, and that process shall  
 7 require in-kind or matching funds from the local agency of not less than 25 percent of the  
 8 grant requested. No individual grant from this pool shall exceed \$500,000. If the amount  
 9 of bond funds available from the pool is not sufficient to cover all applications, the  
 10 department shall determine the distribution of pool assets.

11 **(11) Kentucky Prescription Drug Patient Assistance Program:** Included in the  
 12 above General Fund appropriation is \$125,000 in fiscal year 2006-2007 and \$200,000 in  
 13 fiscal year 2007-2008 to establish the Kentucky Prescription Drug Patient Assistance  
 14 Program to create a statewide network to link low-income Kentuckians with prescription  
 15 drug patient assistance programs offered by pharmaceutical companies and to provide  
 16 assistance in obtaining and completing the required documents. The Department may  
 17 contract with the University of Kentucky, local health departments, or other organizations  
 18 to develop a network and provide this assistance.

19 (a) As used in this subsection, "prescription drug patient assistance programs"  
 20 means the programs offered by pharmaceutical companies under which the companies  
 21 provide drugs to low-income individuals at no charge or at a substantially reduced cost.  
 22 The term does not include the provision of a drug as part of a clinical trial.

23 (b) The Kentucky Prescription Drug Patient Assistance Program is established  
 24 within the Cabinet for Health and Family Services, Department for Public Health. The  
 25 purposes of the program are to:

26 1. Create an Internet-based statewide network to link low-income Kentuckians  
 27 with prescription drug patient assistance programs offered by pharmaceutical companies;



1           2.    Provide assistance in obtaining and completing the required documents;

2           3.    Establish guidelines related to the security and privacy of protected health  
3 information provided through the Internet-based statewide network; and

4           4.    Explore the feasibility of the standardization of the application process for  
5 prescription drug patient assistance programs.

6           (c)   If funds are available, the program created in paragraph (b) of this subsection  
7 shall:

8           1.    Provide information on the eligibility guidelines and drug coverage provided  
9 though any drug assistance program offered by the cabinet;

10          2.    Provide information on the process for applying to pharmaceutical companies  
11 for free or discounted prescription drugs;

12          3.    Provide information to individuals, physicians, pharmacists, and pharmacies  
13 regarding eligibility for prescription drug patient assistance programs;

14          4.    Increase awareness of the various prescription drug patient assistance  
15 programs offered by pharmaceutical companies;

16          5.    Establish an Internet-based statewide network to provide information on  
17 prescription drug patient assistance programs;

18          6.    Link individuals to local community resources to assist with completing  
19 required documents; and

20          7.    Use the e-health network Web site to provide a link to information on  
21 prescription drug assistance programs, eligibility guidelines, and applications. The e-  
22 health network link shall have the capability of supporting the completion and  
23 transmission of the applications online to health care providers for any required  
24 signatures.

25          (d)   The cabinet may consult or contract with the University of Kentucky College  
26 of Pharmacy, University of Kentucky College of Agriculture Cooperative Extension,  
27 local health departments, libraries, the Kentucky Cancer Caucus, or other organizations to

1 develop a network of agencies to assist individuals in accessing prescriptions through the  
2 prescription drug patient assistance programs.

3 (e) The cabinet may seek funding for the Internet-based statewide network  
4 created under paragraph (b) of this subsection from pharmaceutical companies or any  
5 other private entity. Any funding provided by a private entity shall be on a voluntary  
6 basis.

7 (f) The cabinet may promulgate an administrative regulation to establish  
8 guidelines related to the security and privacy of protected health information provided  
9 through the Internet-based statewide network created under paragraph (b) of this  
10 subsection.

11 **(12) Area Health Education Centers:** Included in the above General Fund  
12 appropriation is \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-  
13 2008 to support the Area Health Education Centers. The Cabinet for Health and Family  
14 Services shall contract with the University of Louisville and the University of Kentucky  
15 to provide the required support and the amount of that contract shall be in addition to any  
16 other appropriations received by the universities and shall not become part of the  
17 universities' base budgets for purposes of the Council on Postsecondary Education  
18 funding formula.

19 **(13) Central Kentucky Blood Center:** Included in the above General Fund  
20 appropriation is \$500,000 in fiscal year 2006-2007 to provide assistance toward the  
21 construction of new facilities and purchase of equipment related to blood collection and  
22 distribution.

23 **(14) Kentucky AIDS Drug Assistance Program:** Included in the above General  
24 Fund appropriation is \$250,000 in each fiscal year for the Kentucky AIDS Drug  
25 Assistance Program (KADAP).

26 **(15) Poison Control Center:** Additional support of \$150,000 is provided in the  
27 above General Fund appropriation in each fiscal year for the Poison Control Center.

1       **(16) Lead Poisoning and Screening Program:** Included in the above General  
 2 Fund appropriation is \$50,000 in each fiscal year for the Lead Poisoning and Screening  
 3 Program. With these funds, the Department for Public Health shall review all federal  
 4 Medicaid or Medicare compliance issues with respect to lead poisoning and screening  
 5 and report its findings to the General Assembly. The report shall include a proposed plan  
 6 of action to correct any deficiencies or areas where programs and services are offered or  
 7 supported by the Cabinet and are not in compliance with federal requirements related to  
 8 lead poisoning and screening.

9       **(17) Osteoporosis Prevention and Education Program:** Included in the above  
 10 General Fund appropriation is \$90,000 in each fiscal year to establish, promote, and  
 11 maintain a statewide multigenerational osteoporosis prevention and education program.

## 12   **6. HEALTH POLICY**

13		<b>2006-07</b>	<b>2007-08</b>
14	General Fund	636,000	625,600
15	Restricted Funds	605,700	622,400
16	TOTAL	1,241,700	1,248,000

17       ~~[(1) Voluntary Relinquishment of a Certificate of Need or Licensure:~~  
 18 ~~Notwithstanding KRS 216B.061, following the voluntary closure of a health care facility,~~  
 19 ~~revocation of a certificate of need, or the revocation of licensure, the beds, equipment,~~  
 20 ~~and services provided by the closed facility shall be reserved for applications for any~~  
 21 ~~certificate of need to reestablish the same services, in whole or part, in the same county as~~  
 22 ~~the closed health facility.] (Veto #11)~~

## 23   **7. HUMAN SUPPORT SERVICES**

24		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
25	General Fund (Tobacco)	-0-	100,000	100,000
26	General Fund	-0-	41,528,400	45,648,400
27	Restricted Funds	100,000	656,600	656,600

1	Federal Funds	-0-	24,396,700	24,401,900
2	TOTAL	100,000	66,681,700	70,806,900

3       **(1) Local Match Requirements:** Notwithstanding KRS 205.460, entities  
 4       contracting with the Cabinet for Health and Family Services to provide essential services  
 5       under KRS 205.455 and 205.460 shall provide local match equal to or greater than the  
 6       amount in effect during fiscal year 2005-2006. Local match may include any combination  
 7       of materials, commodities, transportation, office space, personal services, or other types  
 8       of facility services or funds. The Secretary of the Cabinet for Health and Family Services  
 9       shall prescribe the procedures to certify the local match assurance.

10       **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
 11       appropriation is \$100,000 in each fiscal year for the Children's Advocacy Centers.

12       **(3) Children's Advocacy Centers:** Included in the above General Fund  
 13       appropriation is funding to provide each Regional Children's Advocacy Center an  
 14       increase in its base operating grant of \$32,000 for each fiscal year. Also included in the  
 15       above General Fund appropriation is funding to provide each Regional Children's Center  
 16       an additional \$34,600 appropriation each fiscal year provided that the Center has on staff,  
 17       or can document the intent to employ or contract for, a qualified forensic interviewer at  
 18       least half-time.

19       **(4) Regional Rape Crisis Centers:** Included in the above General Fund  
 20       appropriation is funding to provide an increase of \$66,600 in base state funding for each  
 21       region, for each year of the biennium, to cover increased levels of client service needs and  
 22       increased cost of center operations.

23       **(5) Domestic Violence Statewide Programs:** Included in the above General  
 24       Fund appropriation is funding to provide a grant of \$45,000 for each region for each fiscal  
 25       year, to cover increased levels of client service needs and increased cost of center  
 26       operations of Domestic Violence Programs. These funds are in addition to funding  
 27       received through the Department for Community Based Services.

1       **(6) Family Resource and Youth Service Centers:** Included in the above  
2 General Fund appropriation is \$1,522,600 in fiscal year 2006-2007 and \$3,045,200 in  
3 fiscal year 2007-2008 to provide an allocation rate increase to \$204 per eligible child in  
4 fiscal year 2006-2007, and return to the original allocation rate of \$210 per eligible child  
5 in fiscal year 2007-2008. Also included in the above General Fund appropriation is  
6 \$1,060,800 to expand the program to serve 25 additional schools in fiscal year 2006-2007  
7 and \$2,373,000 to expand the program to serve 29 additional schools in fiscal year 2007-  
8 2008.

9       **(7) Kentucky Family Caregiver Program:** Included in the above General Fund  
10 appropriation is \$1,250,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-  
11 2008 for the expansion of the Kentucky Family Caregiver Program to provide assistance  
12 grants or vouchers to grandparents who are the primary caregivers of their grandchildren.  
13 To be eligible for this program, a grandparent may not have annual income that exceeds  
14 150 percent of the federal poverty level and may not be receiving payments from the  
15 Kinship Care Program. The maximum total of grants or vouchers per child shall be \$750  
16 in any one fiscal year for each grandchild. Grants or vouchers from this program shall be  
17 utilized by the grandparent to provide child clothing, respite assistance, educational  
18 supplies or assistance, required legal services, medical and dental services, and other  
19 expenses for the grandchild that the cabinet authorizes. The Cabinet for Health and  
20 Family Services shall promulgate administrative regulations, in accordance with KRS  
21 Chapter 13A, to implement this program no later than January 1, 2007.

22       **(8) Expansion of Aging Services:** Included in the above General Fund  
23 appropriation is \$3,500,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-  
24 2008 to expand Aging Services. With these additional funds and the base appropriation,  
25 the General Fund amount shall be expended in the following manner: \$28,224,300 in  
26 fiscal year 2006-2007 and \$28,724,400 in fiscal year 2007-2008 to address waiting lists in  
27 programs such as Homecare Services, the Personal Care Attendant Program, Adult Day

1 Care, and Home-Delivered Meals. The additional funding provided in this subsection  
 2 shall only be utilized for the provision of additional direct services in these programs.

3 **(9) Dementia Training:** Included in the above General Fund appropriation is  
 4 \$50,000 in fiscal year 2006-2007 and \$50,000 in fiscal year 2007-2008 to create a  
 5 voluntary pilot program for dementia training for long-term care facilities.

6 **(10) Ready, Set, Success Program:** The Department for Human Support Services  
 7 shall establish a "Ready, Set, Success" pilot program to encourage the development of  
 8 local community partnerships and the development of programs and services for children  
 9 who are under age six, and to ensure that children across the Commonwealth are born  
 10 healthy, are nurtured, and remain healthy, safe, and prepared to succeed in school and life.

11 a. The Department shall promulgate administrative regulations to define the "Ready,  
 12 Set, Success" Program and service criteria.

13 b. The Department, in cooperation with the Kentucky Department of Education and  
 14 the Education Cabinet, may host an annual statewide "Ready, Set, Success" summit to  
 15 share findings and best practices from the pilot program. The Department shall advise the  
 16 Department of Education and the Education Cabinet on the time and location of the  
 17 summit.

## 18 **8. OMBUDSMAN**

19		<b>2006-07</b>	<b>2007-08</b>
20	General Fund	3,568,400	3,534,400
21	Restricted Funds	50,000	50,000
22	Federal Funds	2,203,600	2,183,000
23	TOTAL	5,822,000	5,767,400

## 24 **9. DISABILITY DETERMINATION SERVICES**

25		<b>2006-07</b>	<b>2007-08</b>
26	Restricted Funds	65,800	65,800
27	Federal Funds	48,584,000	50,174,900

1	TOTAL		48,649,800	50,240,700
2	<b>10. COMMUNITY BASED SERVICES</b>			
3		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
4	General Fund (Tobacco)	-0-	6,970,400	7,420,400
5	General Fund	-0-	316,033,500	341,729,700
6	Restricted Funds	-0-	133,505,800	136,301,300
7	Federal Funds	4,900,300	511,118,200	523,230,400
8	TOTAL	4,900,300	967,627,900	1,008,681,800

9       **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
10 appropriation is \$6,970,400 in fiscal year 2006-2007 and \$7,420,400 in fiscal year 2007-  
11 2008 for the Early Childhood Development Program.

12       **(2) Out-of-Home Care:** Included in the above General Fund appropriation is  
13 \$7,383,000 in fiscal year 2006-2007 and \$22,962,600 in fiscal year 2007-2008 which is  
14 necessary to support and sustain the increased number of court-committed children in the  
15 care of the Cabinet.

16       **(3) Criminal Background Investigation Fee Establishment:** The Secretary of  
17 the Cabinet for Health and Family Services may promulgate administrative regulations  
18 necessary to prescribe criminal background investigation fee amounts which are reflected  
19 in the Restricted Funds appropriation above.

20       **(4) Department for Community Based Services Modernization:** Savings  
21 generated through efficiencies achieved from the modernization and streamlining of the  
22 Department for Community Based Services shall be redirected to other areas within the  
23 Department for Community Based Services to enhance adult protection services and  
24 family based services, to accommodate increased numbers of children in care, and to  
25 offset reductions in available federal funding.

26       **(5) Protection and Permanency Staff Technology Improvements:** Included in  
27 the above appropriation is \$1,008,300 in General Fund support and \$291,700 in Federal

1 Funds in each fiscal year to provide technology improvements for each Adult Protection  
2 and Child Protection Services staff, including but not limited to new laptop or desktop  
3 computers. In addition, included in the above appropriation is \$244,900 in General Fund  
4 support and \$31,500 in Federal Funds in fiscal year 2006-2007 to provide digital cameras  
5 for each Adult Protection and Child Protection Services staff and a printer for each  
6 investigative team in each local office to assist in documenting abuse investigations.

7 **(6) Foster Parent and Adoption Assistance Rate Increases:** Included in the  
8 above appropriation to increase Foster Parent and Adoption Assistance daily  
9 reimbursement rates beginning on July 1, 2007, is \$4,844,500 in General Fund moneys  
10 and \$3,989,300 in Federal Funds for \$3 per day in fiscal year 2007-2008.

11 **(7) Private Child Care Provider Rate Increases:** Included in the above  
12 appropriation to increase Private Child Care Provider reimbursement rates beginning on  
13 July 1, 2007, is \$2,883,700 in General Fund moneys and \$544,800 in Federal Funds for  
14 an additional \$3 per day in fiscal year 2007-2008.

15 **(8) Performance Incentives for Hard-to-Place Youth:** Included in the above  
16 appropriation is \$961,200 in General Fund moneys and \$181,600 in Federal Funds in  
17 fiscal year 2007-2008 to create a pool to serve hard-to-place youth by providing  
18 performance incentives to private child care providers beginning on July 1, 2007.

19 **(9) Foster Youth Transitional Assistance:** Included in the above General Fund  
20 appropriation is \$1,000,000 in each fiscal year to provide assistance grants or vouchers to  
21 current or former foster youth ages 18 through 23. The maximum total of grants or  
22 vouchers per youth shall be \$7,500 in any one fiscal year for working youth. Youth may  
23 be eligible for an additional grant totaling \$2,500 per year while attending a community  
24 college or four year college or university. Grants or vouchers from this program shall be  
25 utilized by the youth for transitional assistance into independence, including but not  
26 limited to housing, clothing, transportation, tuition, medical and dental services, and other  
27 expenses for the youth for the transition that the cabinet authorizes. The Cabinet for



1 Health and Family Services shall promulgate administrative regulations, in accordance  
 2 with KRS Chapter 13A, to implement this program no later than October 1, 2006.  
 3 ~~[Notwithstanding KRS 45.229, any General Fund moneys for this purpose unexpended in~~  
 4 ~~fiscal year 2006-2007 shall not lapse but shall carry forward into fiscal year 2007-2008~~  
 5 ~~for the same purpose.] (Veto #12)~~

6 **(10) Home of the Innocents:** Included in the above General Fund appropriation is  
 7 \$385,000 in fiscal year 2007-2008 for debt service to support new bonds for a matching  
 8 grant to Home of the Innocents for Phase II of the Childrens' Village as set forth in Part II,  
 9 Capital Projects Budget, of this Act. Up to \$8,250,000 in funds generated by Home of the  
 10 Innocents from other public and private sources shall be matched by the Commonwealth.

11 ~~**{(11) Brooklawn Child and Family Services:** Included in the above General Fund~~  
 12 ~~appropriation is \$96,000 in fiscal year 2007-2008 for debt service to support new bonds~~  
 13 ~~for the Brooklawn Child and Family Services project as set forth in Part II, Capital~~  
 14 ~~Projects Budget, of this Act.] (Veto #4)~~

15 **TOTAL - CABINET FOR HEALTH AND FAMILY SERVICES**

	2005-06	2006-07	2007-08
16 General Fund (Tobacco)	-0-	22,183,400	23,393,500
17 General Fund	85,300,000	1,698,732,600	1,777,534,400
18 Restricted Funds	5,571,900	829,515,600	840,161,600
19 Federal Funds	244,314,200	4,005,325,100	4,119,198,300
20 TOTAL	335,186,100	6,555,756,700	6,760,287,800

22 **I. JUSTICE AND PUBLIC SAFETY CABINET**

23 **Budget Units**

24 **1. JUSTICE ADMINISTRATION**

	2006-07	2007-08
25 General Fund (Tobacco)	1,816,800	1,923,400
26 General Fund	13,796,700	13,946,400

1	Restricted Funds	3,340,100	3,840,100
2	Federal Funds	9,666,100	9,142,700
3	TOTAL	28,619,700	28,852,600

4       **(1) Office of Drug Control Policy:** Included in the above Restricted Funds  
5       appropriation is \$1,300,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-  
6       2008 for regional Drug Courts in Kentucky's coal-producing counties.

7       **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
8       appropriation is \$1,816,800 in fiscal year 2006-2007 and \$1,923,400 in fiscal year 2007-  
9       2008 for the Office of Drug Control Policy.

10       **(3) Civil Legal Services for Indigents:** Included in the above General Fund  
11       appropriation is \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-  
12       2008 to provide free legal services for indigents.

13       **(4) Operation Unite:** Included in the above Restricted Funds appropriation is  
14       \$1,250,000 in each year of the biennium for Operation Unite.

15       **(5) Multijurisdictional Drug Task Forces:** Included in the above General Fund  
16       appropriation is \$1,000,000 in each fiscal year to be administered by the Office of Drug  
17       Control Policy for the purpose of maintaining existing multijurisdictional drug task forces  
18       and allowing for expansion to under served and unserved areas to assist local and state  
19       law enforcement agencies in a proactive effort to combat drugs and crime.

## 20    **2. CRIMINAL JUSTICE TRAINING**

21		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
22	Restricted Funds	602,000	46,367,300	46,744,800
23	Federal Funds	-0-	1,873,500	1,886,300
24	TOTAL	602,000	48,240,800	48,631,100

25       **(1) Kentucky Law Enforcement Foundation Program Fund:** Included in the  
26       above Restricted Funds appropriation is \$44,732,300 in fiscal year 2006-2007 and  
27       \$45,105,000 in fiscal year 2007-2008 for the Kentucky Law Enforcement Foundation

1 Program Fund.

2 **(2) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in  
3 the above Restricted Funds appropriation is \$3,100 in fiscal year 2006-2007 and \$3,100  
4 in fiscal year 2007-2008 for each participant for training incentive payments.

5 **(3) Training Incentive Stipends - Justice and Public Safety Cabinet**  
6 **Personnel:** Notwithstanding KRS 15.410, 15.420(2), 15.440(1), 15.460(1), and 15.470(2)  
7 and (4), included in the above Restricted Funds appropriation is sufficient funding for a  
8 \$3,100 annual training incentive stipend for Kentucky state troopers, Kentucky State  
9 Police arson investigators, Kentucky State Police hazardous devices investigators,  
10 Kentucky State Police legislative security specialists, and Kentucky vehicle enforcement  
11 officers.

### 12 **3. JUVENILE JUSTICE**

13		2006-07	2007-08
14	General Fund	84,005,900	85,724,900
15	Restricted Funds	12,200,000	12,200,000
16	Federal Funds	14,720,000	14,420,000
17	TOTAL	110,925,900	112,344,900

18 **(1) Mary Kendall Homes:** Included in the above General Fund appropriation is  
19 \$350,000 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008 for the support  
20 of the Mary Kendall Homes.

21 **(2) Madison County Juvenile Detention Facility:** The Madison County juvenile  
22 detention facility may remain open to hold juveniles from Madison County, and the  
23 county shall receive the detention subsidy provided for in KRS 635.060(3).

### 24 **4. STATE POLICE**

25		2005-06	2006-07	2007-08
26	General Fund	1,301,200	69,645,800	80,305,900
27	Restricted Funds	-0-	16,713,900	13,543,600

1	Federal Funds	-0-	13,444,700	13,444,700
2	Road Fund	-0-	50,000,000	50,000,000
3	TOTAL	1,301,200	149,804,400	157,294,200

4       **(1) Call to Extraordinary Duty:** There is appropriated from the General Fund to  
5 the Department of State Police, subject to the conditions and procedures provided in this  
6 Act, funds which are required as a result of the Governor's call of the Kentucky State  
7 Police to extraordinary duty when an emergency situation has been declared to exist by  
8 the Governor. Funding is authorized to be provided from the General Fund Surplus  
9 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

10       **(2) State Police Authorized Strength:** The Kentucky State Police sworn officer  
11 authorized strength is 1,070.

12       **(3) State Police Personnel Training Incentive:** Included in the above Restricted  
13 Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend  
14 for state troopers, arson investigators, hazardous devices investigators, and legislative  
15 security specialists.

16       **(4) Restricted Funds Uses:** Notwithstanding KRS 42.320(2)(h), 189A.050(3)(a),  
17 and 237.110(15), funds are included in the above Restricted Funds appropriation to  
18 maintain the operations and administration of the Kentucky State Police.

19       **(5) Dispatcher Training Incentive:** Included in the above General Fund  
20 appropriation is sufficient funding for a \$3,100 annual training incentive stipend for  
21 dispatchers.

22       **(6) Statewide Mobile Data Infrastructure:** Included in the above General Fund  
23 appropriation is \$1,000,000 in each fiscal year for the upkeep and maintenance of the  
24 statewide mobile data infrastructure. The Justice and Public Safety Cabinet shall allow  
25 any local or state first responding agency to use the system provided it complies with all  
26 applicable state standards for the system's uses. The Justice and Public Safety Cabinet  
27 shall not charge any first responding agency for using the system, maintenance, or any

1 other fee related to connections, infrastructure upkeep, or maintenance

2 **5. CORRECTIONS**

3 **a. Corrections Management**

4		2006-07	2007-08
5	General Fund	7,253,600	7,119,700
6	Restricted Funds	15,693,100	15,843,700
7	TOTAL	22,946,700	22,963,400

8 **(1) Debt Service:** Included in the above General Fund appropriation is \$82,000 in  
 9 fiscal year 2007-2008 to provide debt service to support new bonds as set forth in Part II,  
 10 Capital Projects Budget, of this Act.

11 **(2) Appropriations Adjustments:** The General Assembly has determined that  
 12 the Department of Corrections shall be permitted to adjust appropriations between the  
 13 Community Services and Local Facilities budget unit and the Adult Correctional  
 14 Institutions budget unit in fiscal year 2006-2007 and fiscal year 2007-2008. Only  
 15 adjustments necessary to manage the diverse mix of inmate classifications, custody  
 16 levels, probation and parole caseloads, and population increases and/or decreases shall be  
 17 permitted. Any appropriations transferred or otherwise directed between these  
 18 appropriation units shall be documented and justified in writing. No adjustments may be  
 19 made except upon the prior written concurrence of the State Budget Director. The State  
 20 Budget Director shall report the adjustments and the necessity of the adjustments to the  
 21 Interim Joint Committee on Appropriations and Revenue.

22 **(3) Jailer Mental Health Screening Training:** The Kentucky Commission on  
 23 Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse  
 24 Disorders, and Dual Diagnoses shall, in its annual review of the Commission plan,  
 25 include in its duties recommendations for improvements in identifying, treating, housing,  
 26 and transporting prisoners in jails and juveniles in detention centers with mental illness.  
 27 Items to be reviewed shall include but not be limited to recommendations for statutory

1 and regulatory changes, training and treatment funding, cost sharing, housing and  
 2 transportation costs, appropriate treatment sites, and training requirements for local jailers  
 3 and other officers of the court who may come in contact with persons incarcerated or in  
 4 detention but deemed mentally ill.

5 The training shall continue to be delivered by Regional Mental Health/Mental  
 6 Retardation Board staff to new jailers and new jail staff, except administrative support, on  
 7 screening and responding to the needs of inmates with mental illness within six months of  
 8 employment. Treatment services may also be provided for within this funding allocation.

9 **b. Adult Correctional Institutions**

	2006-07	2007-08
10 General Fund	232,200,900	239,190,200
11 Restricted Funds	5,435,200	5,435,200
12 Federal Funds	1,706,600	1,706,600
13 TOTAL	239,342,700	246,332,000

15 **(1) Education Programs at Department of Corrections Facilities:** The  
 16 Kentucky Community and Technical College System (KCTCS) shall provide adult basic  
 17 education classes for the Department of Corrections which are aimed toward acquiring a  
 18 general educational diploma (GED) and various technical trades aimed toward providing  
 19 students with certifications and/or diplomas upon completion of qualifying examinations.

20 **c. Community Services and Local Facilities**

	2006-07	2007-08
21 General Fund	114,496,600	130,140,300
22 Restricted Funds	4,369,000	1,869,000
23 Federal Funds	75,000	75,000
24 TOTAL	118,940,600	132,084,300

26 **(1) Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem  
 27 payments exceed the amounts provided to support the budgeted average daily population

1 of state felons in county jails for fiscal year 2006-2007 and fiscal year 2007-2008, the  
2 payments shall be deemed necessary government expenses and may be paid from the  
3 General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account  
4 (KRS 48.705), subject to notification as to necessity and amount by the State Budget  
5 Director who shall report any certified expenditure to the Interim Joint Committee on  
6 Appropriations and Revenue.

7       **(2) Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the  
8 amount of \$4,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008  
9 shall be expended from the Kentucky Local Correctional Facilities Construction  
10 Authority for local correctional facility and operational support consistent with  
11 contractual covenants in accordance with bond indentures of the Authority.

12       **(3) Local Jail Per Diem Increase:** Included in the above General Fund  
13 appropriation is \$1,000,000 in each fiscal year to provide an increase of the per diem rate  
14 paid to counties for housing state inmates.

15       **(4) Intensive Secured Substance Abuse Recovery Program:** Funds provided  
16 for local jail per diem payments and for halfway house payments may also be used for the  
17 establishment and operation of an intensive secured substance abuse recovery program  
18 for substance abusers who have been charged with a felony offense. In the event that  
19 actual local jail per diem payments or the halfway house payments exceed the amounts  
20 provided to support the budgeted average daily population of state felons in county jails  
21 or in halfway houses for fiscal year 2006-2007 and fiscal year 2007-2008, the payments  
22 shall be deemed necessary government expenses and may be paid from the General Fund  
23 Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS  
24 48.705), subject to notification as to necessity and amount by the State Budget Director  
25 who shall report any certified expenditure to the Interim Joint Committee on  
26 Appropriations and Revenue.

27       **d. Local Jail Support**

	2006-07	2007-08
General Fund	16,236,100	16,236,100

(1) **Inmate Medical Care Expenses:** Included in the above General Fund appropriation is \$931,100 in fiscal year 2006-2007 and \$931,100 in fiscal year 2007-2008 for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$295,900 in fiscal year 2006-2007 and \$295,900 in fiscal year 2007-2008, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

(2) **Local Jail Support:** Included in the above General Fund appropriation is \$960,000 in each year of the biennium to provide a monthly payment of an annual amount of \$20,000 to each county with a life safety jail or a closed jail. The payment shall be in addition to the monthly payment required by KRS 441.206(2).

#### 18 TOTAL - CORRECTIONS

	2006-07	2007-08
General Fund	370,187,200	392,686,300
Restricted Funds	25,497,300	23,147,900
Federal Funds	1,781,600	1,781,600
TOTAL	397,466,100	417,615,800

#### 24 6. VEHICLE ENFORCEMENT

	2006-07	2007-08
Restricted Funds	1,666,300	1,043,500
Federal Funds	5,162,400	5,162,200



1	Road Fund	13,974,900	13,881,500
2	TOTAL	20,803,600	20,087,200

3       **(1) Vehicle Enforcement Officers' Training Incentive:** Included in the above  
 4       Restricted Funds appropriation is sufficient funding to provide a \$3,100 annual training  
 5       incentive stipend for vehicle enforcement officers.

## 6       **7. PUBLIC ADVOCACY**

7		<b>2006-07</b>	<b>2007-08</b>
8	General Fund	29,770,700	31,886,400
9	Restricted Funds	6,815,500	4,455,800
10	Federal Funds	1,618,300	1,663,100
11	TOTAL	38,204,500	38,005,300

12       **(1) Compensatory Leave Conversion to Sick Leave:** If the Department of  
 13       Public Advocacy determines that internal budgetary pressures warrant further austerity  
 14       measures, the Public Advocate may institute a policy to suspend payment of 50 hour  
 15       blocks of compensatory time for those attorneys who have accumulated 240 hours of  
 16       compensatory time and instead to convert those hours to sick leave.

## 17       **TOTAL - JUSTICE AND PUBLIC SAFETY CABINET**

18		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
19	General Fund (Tobacco)	-0-	1,816,800	1,923,400
20	General Fund	1,301,200	567,406,300	604,549,900
21	Restricted Funds	602,000	112,600,400	104,975,700
22	Federal Funds	-0-	48,266,600	47,500,600
23	Road Fund	-0-	63,974,900	63,881,500
24	TOTAL	1,903,200	794,065,000	822,831,100

## 25       **J. PERSONNEL CABINET**

### 26       **1. GENERAL OPERATIONS**

27		<b>2006-07</b>	<b>2007-08</b>
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1	General Fund	1,805,600	932,200
2	Restricted Funds	19,569,900	20,785,200
3	TOTAL	21,375,500	21,717,400

4       **(1) Flexible Benefit Account:** Notwithstanding KRS 18A.225(2)(g), any funds  
5 from the calendar year 2005 and calendar year 2006 public employee health insurance  
6 program accruing to the Flexible Benefit Account, not otherwise appropriated in fiscal  
7 year 2006-2007 and in fiscal year 2007-2008, and in excess of the amount reflected in  
8 Part V, Funds Transfer, of this Act shall be credited to the General Fund Surplus  
9 Account.

10       **(2) Public Employees Self-Insured Health Insurance Premiums:** Beginning  
11 with the employer premium due for coverage effective July 1, 2006, under the Public  
12 Employees Self-Insured Health Insurance Program, the employer rate shall be reduced by  
13 12 percent for the balance of Plan Year 2006. For Plan Year 2007, the increase in  
14 employer and employee premiums for coverage under the Public Employees Self-Insured  
15 Health Insurance Program shall not exceed 10.4 percent for the Essential Plan and 9  
16 percent for the Enhanced and Premier Plan over the Plan Year 2006 rates as adjusted by  
17 this Act.

## 18       **2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY**

19		<b>2006-07</b>	<b>2007-08</b>
20	Restricted Funds	6,009,200	6,172,400

## 21       **3. WORKERS' COMPENSATION BENEFITS AND RESERVE**

22		<b>2006-07</b>	<b>2007-08</b>
23	Restricted Funds	24,798,500	26,204,400

## 24       **4. STATE SALARY AND COMPENSATION FUND**

25		<b>2006-07</b>	<b>2007-08</b>
26	General Fund	8,000,000	24,000,000

27       **(1) Employee Compensation:** The above General Fund appropriation provides a

1 pool of funds to be allocated in accordance with the procedures contained in Part IV,  
 2 State Salary/Compensation and Employment Policy, of this Act. Included in the above  
 3 \$8,000,000 General Fund appropriation in fiscal year 2006-2007 is \$3,842,500 which  
 4 shall not be allocated, transferred, or expended and shall continue into fiscal year 2007-  
 5 2008 and shall only be expended in that fiscal year for this same purpose.

6 **5. STATE GROUP HEALTH INSURANCE FUND**

	2006-07	2007-08
General Fund	2,476,000	2,476,000

9 **(1) Group Health Insurance:** The above General Fund appropriation is provided  
 10 to support a dependent subsidy for full-time employees of quasi-governmental employers,  
 11 excluding state agencies, participating in the State Group Health Insurance program. To  
 12 participate in this fund, each quasi-governmental employer must certify to the Secretary  
 13 of the Personnel Cabinet that no funds received from the pool are being utilized to fund  
 14 any benefits for persons other than full-time employees.

15 **TOTAL - PERSONNEL CABINET**

	2006-07	2007-08
General Fund	12,281,600	27,408,200
Restricted Funds	50,377,600	53,162,000
TOTAL	62,659,200	80,570,200

20 **K. POSTSECONDARY EDUCATION**

21 **Budget Units**

22 **1. COUNCIL ON POSTSECONDARY EDUCATION**

	2006-07	2007-08
General Fund (Tobacco)	4,431,200	4,691,200
General Fund	56,931,200	95,120,700
Restricted Funds	6,610,700	6,527,900
Federal Funds	19,099,400	19,099,400

1	TOTAL	87,072,500	125,439,200
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~~[(1) Debt Service: Included in the above General Fund appropriation is \$27,442,000 in fiscal year 2007-2008 for debt service to support new bonds for capital projects at the colleges and universities as set forth in Part II, Capital Projects Budget, of this Act.]~~

~~(2) Debt Service:~~ Included in the above General Fund appropriation is \$551,000 in fiscal year 2007-2008 for debt service to support new bonds for Research Support Lab Renovation, Fit-up and Equipment at the University of Kentucky and the University of Louisville.

~~(3) Debt Service:~~ Included in the above General Fund appropriation is \$917,000 in fiscal year 2007-2008 for debt service to support new bonds for Information Technology and Equipment Acquisitions. (Veto #4)

13           **(4) Carry Forward of General Fund Appropriation Balance:** Notwithstanding  
14   KRS 45.229, the General Fund appropriation in fiscal year 2005-2006 and fiscal year  
15   2006-2007 to the Adult Education and Literacy Funding Program shall not lapse and shall  
16   carry forward.

17           Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2005-  
18   2006 and fiscal year 2006-2007 to the Science and Technology Funding Program shall  
19   not lapse and shall carry forward.

(5) Strategic Investment and Incentive Trust Funds Interest Income:

Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917, 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, interest earnings in the amount of \$393,900 in fiscal year 2006-2007 and \$393,900 in fiscal year 2007-2008 shall be transferred from Strategic Investment and Incentive Trust Fund accounts included under these statutes to Agency Revenue accounts within the Council on Postsecondary Education budget unit in the following amounts and for the following specified purposes: \$105,500 in each year of the biennium for the Minority Student College Preparation Program; \$188,400 in each year

1 of the biennium for the Southern Regional Board Doctoral Scholars Program; and  
 2 \$100,000 in each year of the biennium for the P-16 Council/Early Math Testing  
 3 Programs.

4 **(6) Interest Earnings Transfer from the Strategic Investment and Incentive**  
 5 **Trust Fund Accounts:** Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917,  
 6 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, any expenditures from the  
 7 Strategic Investment and Incentive Trust Fund accounts in excess of appropriated  
 8 amounts by the Council on Postsecondary Education shall be subject to KRS 48.630.

9 ~~[(7) **Kentucky Science and Technology Corporation:** Notwithstanding KRS~~  
 10 ~~164.6017(2), the Kentucky Science and Technology Corporation shall administer the~~  
 11 ~~Rural Innovation, the Research and Development, and the Commercialization~~  
 12 ~~Funds.](Veto #13)~~

13 **(8) Ovarian Cancer:** Notwithstanding KRS 164.476, General Fund (Tobacco)  
 14 dollars in the amount of \$775,000 in each fiscal year shall be allotted from the Lung  
 15 Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the  
 16 University of Kentucky.

17 **(9) Regional Stewardship Funding Program:** Included in the above General  
 18 Fund appropriation is \$1,200,000 in fiscal year 2006-2007 and \$3,600,000 in fiscal year  
 19 2007-2008 for the Regional Stewardship Funding Program. The funds will be allocated  
 20 among the six public comprehensive universities~~[ in equal amounts of \$800,000 per~~  
 21 ~~institution]. (Veto #14)~~ Funds will be used for Regional Stewardship priorities related to  
 22 collaboration with public elementary and secondary schools and regional economic  
 23 development initiatives. Allocated funds will be distributed upon submission and  
 24 approval of a strategic plan which determines stewardship priorities. Each institution shall  
 25 submit a strategic plan for stewardship activities in priority areas. to the Council on  
 26 Postsecondary Education by close of business January 1, 2007. Within 30 days of receipt  
 27 of the proposals, the Council on Postsecondary Education shall advise the institutions of

1 any non-compliance or non-conformity and shall work with the institution to help them  
 2 qualify for the grant.~~[Once distributed, these funds will become recurring to the~~  
 3 ~~institutions.]~~ (Veto #14) Each institution shall submit an annual report to the Council on  
 4 Postsecondary Education and to Interim Joint Appropriations and Revenue Committee by  
 5 September 1 of each year. The report should include descriptions of stewardship  
 6 initiatives implemented, use of funds for each initiative, and outcomes of the initiatives.

7 **(10) Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in  
 8 order to lower the cost of borrowing, any university that has heretofore issued or caused  
 9 to be issued debt obligations through a not-for-profit corporation or a municipality or  
 10 county government for which the rental or use payments of the university substantially  
 11 meet the debt service requirements of those debt obligations is authorized to refinance  
 12 those debt obligations if the principal amount of the debt obligations is not increased and  
 13 the rental payments of the university are not increased. Any funds used by a university to  
 14 make debt obligations issued by university pursuant to this authorization shall be subject  
 15 to interception of state appropriated funds pursuant to KRS 164A.608.

16 **(11) Postsecondary Education Employment Status:** Notwithstanding KRS  
 17 164.225, 164.360, and 164.830, the appointment of a relative to the governing board of a  
 18 public postsecondary education institution, as defined in KRS 164.001, shall not affect  
 19 the employment status of any related person employed at least 36 months prior to the  
 20 appointment of the relative.

## 21 **2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

22		<b>2006-07</b>	<b>2007-08</b>
23	General Fund (Tobacco)	800,000	900,000
24	General Fund	164,624,300	174,304,900
25	Restricted Funds	39,044,500	36,219,300
26	Federal Funds	1,726,000	1,726,000
27	<b>TOTAL</b>	<b>206,194,800</b>	<b>213,150,200</b>

1       **(1) College Access Program:** Notwithstanding KRS 154A.130(4), included in  
2 the above General Fund appropriation is \$58,427,800 in fiscal year 2006-2007 and  
3 \$60,462,000 in fiscal year 2007-2008 for the College Access Program.

4       **(2) Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4),  
5 included in the above General Fund appropriation is \$30,270,100 in fiscal year 2006-  
6 2007 and \$32,476,200 in fiscal year 2007-2008 for the Kentucky Tuition Grant Program.  
7 ~~[All grants shall be awarded pursuant to KRS 164.785, and the applicant must be~~  
8 ~~accepted by or enrolled as a full-time student at a Kentucky independent college or~~  
9 ~~university which is accredited by the Southern Association of Colleges and~~  
10 ~~Schools.](Veto #15)~~

11       **(3) Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4),  
12 included in the above General Fund appropriation is \$1,777,100 in fiscal year 2006-2007  
13 and \$1,777,100 in fiscal year 2007-2008 for the Teacher Scholarship Program.

14       **(4) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)  
15 appropriation is \$800,000 in fiscal year 2006-2007 and \$900,000 in fiscal year 2007-2008  
16 for Early Childhood Scholarships.

17       **(5) Kentucky National Guard Tuition Assistance Program:** Included in the  
18 above Restricted Funds appropriation is \$4,500,000 in fiscal year 2006-2007 and  
19 \$5,220,000 in fiscal year 2007-2008 for the Kentucky National Guard Tuition Assistance  
20 Program.

21       **(6) Kentucky Education Excellence Scholarships (KEES):** Notwithstanding  
22 KRS 154A.130(4), included in the above General Fund appropriation is \$73,125,000 in  
23 fiscal year 2006-2007 and \$77,565,300 in fiscal year 2007-2008 for the Kentucky  
24 Educational Excellence Scholarships (KEES). Included in the above Restricted Funds  
25 appropriation for KEES is \$14,909,100 in fiscal year 2006-2007 and \$11,345,800 in  
26 fiscal year 2007-2008.

27       **(7) Pharmacy Scholarship Program:** Included in the above General Fund

1 appropriation is \$1,000,000 in fiscal year 2007-2008 for the Pharmacy Scholarship  
 2 Program as set forth in Part XXIV, Pharmacy Scholarship Program, of this Act.

3 ~~[(8) **Transactions Involving Property and Assets:** Notwithstanding any statute~~  
 4 ~~to the contrary, the Kentucky Higher Education Assistance Authority and the Higher~~  
 5 ~~Education Student Loan Corporation either jointly or separately, shall obtain~~  
 6 ~~authorization from the General Assembly prior to entering into any agreement,~~  
 7 ~~transaction, or series of agreements which would result in the transfer of ownership or~~  
 8 ~~ultimate managerial decision-making authority regarding the control and investment~~  
 9 ~~performance of its property and assets. Nothing contained herein shall prohibit the~~  
 10 ~~Kentucky Higher Education Assistance Authority and the Higher Education Student Loan~~  
 11 ~~Corporation, either jointly or separately, from, in the usual and regular course of business,~~  
 12 ~~pledging or assigning their revenues and assets to: improve financial positions, secure~~  
 13 ~~obligations, satisfy pledge or trust agreements, or comply with an order of a court of~~  
 14 ~~competent jurisdiction.] (Veto #16)~~

### 15 **3. EASTERN KENTUCKY UNIVERSITY**

	2006-07	2007-08
16 General Fund	77,924,000	80,230,200
17 Restricted Funds	139,565,300	144,065,300
18 Federal Funds	57,172,800	57,172,800
19 TOTAL	274,662,100	281,468,300

21 **(1) Debt Service:** Included in the above General Fund appropriation is  
 22 \$3,030,200 in fiscal year 2006-2007 and \$468,800 in fiscal year 2007-2008 for debt  
 23 service for previously issued bonds.

24 **(2) Community Operations Board:** Included in the above General Fund  
 25 appropriation is \$200,000 in fiscal year 2006-2007 and \$200,000 in fiscal year 2007-2008  
 26 to provide funds to the Community Operations Board for personnel and programmatic  
 27 operations of the conferencing, meeting, and community areas, and the performing arts



1 center located in Business/Technology Center, Phase II.

2 The Business/Technology Building, Phase II shall be governed by the Community  
 3 Operations Board. The Community Operations Board shall consist of 13 members to be  
 4 appointed as follows: Six by the President of Eastern Kentucky University, four by the  
 5 Madison County judge/executive, two by the mayor of the City of Richmond, and one by  
 6 the mayor of the City of Berea. Three of the members appointed by the President of  
 7 Eastern Kentucky University will serve two year terms and three will serve a one year  
 8 term. Two of the members appointed by the Madison County judge/executive will serve  
 9 two year terms and two will serve a one year term. One member appointed by the mayor  
 10 of the City of Richmond will serve a two year term and one will serve a one year term.  
 11 The member appointed by the mayor of the City of Berea will serve a two year term.  
 12 Members of the board will serve without compensation and will not be reimbursed for  
 13 expenses incurred in performance of their duties. At the first meeting of the fiscal year,  
 14 the board shall elect a chairman and a vice chairman. The board will establish policies  
 15 and procedures for board operations and for facility use.~~[The board will make all~~  
 16 ~~decisions regarding use of the Business/Technology Building, Phase II including the~~  
 17 ~~conferencing and community areas and the performing arts center and will make all~~  
 18 ~~decisions regarding personnel and programmatic operations of the conferencing and~~  
 19 ~~community areas and the performing arts center.]~~ (Veto #17) The board is attached to  
 20 Eastern Kentucky University for administrative purposes, and the university shall provide  
 21 all facility maintenance and operations costs.

#### 22 4. KENTUCKY STATE UNIVERSITY

23		2006-07	2007-08
24	General Fund	27,500,700	28,349,000
25	Restricted Funds	23,375,700	23,375,700
26	Federal Funds	14,296,000	14,296,000
27	TOTAL	65,172,400	66,020,700

1       **(1) Debt Service:** Included in the above General Fund appropriation is \$892,200  
 2 in fiscal year 2006-2007 and \$907,300 in fiscal year 2007-2008 for debt service for  
 3 previously issued bonds.

4       **(2) Blazer Library:** Included in the above General Fund appropriation is  
 5 \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 to purchase  
 6 books and periodicals for Blazer Library.

7       **5. MOREHEAD STATE UNIVERSITY**

8		<b>2006-07</b>	<b>2007-08</b>
9	General Fund	45,462,600	48,697,600
10	Restricted Funds	62,467,400	62,754,000
11	Federal Funds	51,201,000	50,897,700
12	TOTAL	159,131,000	162,349,300

13       **(1) Debt Service:** Included in the above General Fund appropriation is  
 14 \$1,409,500 in fiscal year 2006-2007 and \$495,500 in fiscal year 2007-2008 for debt  
 15 service for previously issued bonds.

16       **6. MURRAY STATE UNIVERSITY**

17		<b>2006-07</b>	<b>2007-08</b>
18	General Fund	55,278,600	56,068,700
19	Restricted Funds	74,587,600	79,864,500
20	Federal Funds	14,886,900	14,886,900
21	TOTAL	144,753,100	150,820,100

22       **(1) Debt Service:** Included in the above General Fund appropriation is  
 23 \$1,909,100 in fiscal year 2006-2007 for debt service for previously issued bonds.

24       **7. NORTHERN KENTUCKY UNIVERSITY**

25		<b>2006-07</b>	<b>2007-08</b>
26	General Fund	53,876,000	55,330,000
27	Restricted Funds	112,204,400	118,886,200

1	Federal Funds	14,331,400	14,331,400
2	TOTAL	180,411,800	188,547,600

3       **(1) Debt Service:** Included in the above General Fund appropriation is  
 4 \$5,013,300 in fiscal year 2006-2007 and \$230,500 in fiscal year 2007-2008 for debt  
 5 service for previously issued bonds.

6       **(2) Center for Mathematics:** Included in the above General Fund appropriation  
 7 is \$1,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 for the  
 8 Center for Mathematics.

9       **8. UNIVERSITY OF KENTUCKY**

10		<b>2006-07</b>	<b>2007-08</b>
11	General Fund	318,567,900	335,016,500
12	Restricted Funds	1,238,551,300	1,298,377,600
13	Federal Funds	171,613,900	177,404,300
14	TOTAL	1,728,733,100	1,810,798,400

15       **(1) Debt Service:** Included in the above General Fund appropriation is  
 16 \$5,867,700 in fiscal year 2006-2007 and \$1,546,600 in fiscal year 2007-2008 for debt  
 17 service for previously issued bonds for the University of Kentucky and \$754,900 in fiscal  
 18 year 2006-2007 and \$398,900 in fiscal year 2007-2008 for debt service for previously  
 19 issued bonds for Lexington Community College.

20       **(2) Adolescent Medicine and Young Parent Programs and Rape Crisis**  
 21 **Center:** Included in the above General Fund appropriation is \$150,000 in fiscal year  
 22 2006-2007 and \$150,000 in fiscal year 2007-2008 for the Adolescent Medicine and  
 23 Young Parent Programs and the Rape Crisis Center.

24       **(3) Cooperative Extension Agents:** The University of Kentucky is{  
 25 encouraged}(Veto #18) to provide funding in fiscal year 2006-2007 and fiscal year 2007-  
 26 2008 to the Cooperative Extension Service to support the County Extension Enhancement  
 27 Initiative. This initiative provides salary adjustments for County Extension Agents. These

1 adjustments are in addition to any other salary adjustments which may be made.

2       **(4) Lexington Arboretum:** The University of Kentucky is encouraged to provide  
3 funding in fiscal year 2007-2008 for the arboretum.

4       **(5) Bath County Cooperative Extension:** The University of Kentucky is  
5 encouraged to provide funding in fiscal year 2007-2008 for the Bath County Cooperative  
6 Extension Education and Marketing Center.

7       **(6) Greenup County Cooperative Extension:** The University of Kentucky is  
8 encouraged to provide funding in fiscal year 2007-2008 for the Arts and Music program  
9 offered through the Greenup County Extension Service.

10       **(7) Center for Research on Violence Against Women:** Included in the above  
11 General Fund appropriation is \$150,000 in fiscal year 2006-2007 and \$150,000 in fiscal  
12 year 2007-2008 for the Center for Research on Violence Against Women.

13       **(8) Kentucky Geological Survey:** Included in the above General Fund  
14 appropriation is \$250,000 in fiscal year 2007-2008 from the General Fund portion of the  
15 Natural Gas Severance Tax after the statutory distribution required by KRS 42.450(2),  
16 and included in the above Restricted Funds appropriation is \$250,000 in fiscal year 2007-  
17 2008 from the Local Government Economic Development Fund, Multi-County Fund, for  
18 the Kentucky Geological Survey.

19       **(9) West Liberty Technical Center:** The University of Kentucky is encouraged  
20 to provide funding in fiscal year 2007-2008 for maintenance and operations of the West  
21 Liberty Technical Center.

## 22 **9. UNIVERSITY OF LOUISVILLE**

23		<b>2006-07</b>	<b>2007-08</b>
24	General Fund	187,484,800	191,346,100
25	Restricted Funds	445,336,100	502,019,800
26	Federal Funds	136,481,300	156,953,600
27	<b>TOTAL</b>	<b>769,302,200</b>	<b>850,319,500</b>

1       **(1) Debt Service:** Included in the above General Fund appropriation is  
 2       \$10,951,200 in fiscal year 2006-2007 and \$3,791,500 in fiscal year 2007-2008 for debt  
 3       service for previously issued bonds.

4       **(2) Quality and Charity Care Trust Agreement:** Included in the above General  
 5       Fund appropriation is \$18,408,100 in fiscal year 2006-2007 and \$18,982,300 in fiscal  
 6       year 2007-2008 to fulfill the Commonwealth's contractual obligation relating to indigent  
 7       care furnished via the Quality and Charity Care Trust Agreement.

8       Notwithstanding KRS 45.229, the General Fund appropriation related to the Quality  
 9       and Charity Trust Agreement in fiscal year 2006-2007 shall not lapse.

10       **(3) Saturday Academy Program:** The University of Louisville is encouraged to  
 11       provide funding for the Saturday Academy Program.

12       **(4) Louisville Signature Partnership Program:** The University of Louisville is  
 13       encouraged to provide funding for the Louisville Signature Partnership Program.

14       **(5) Equine Industry Program:** Included in the above General Fund  
 15       appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008  
 16       for the Equine Industry Program.

17       **10. WESTERN KENTUCKY UNIVERSITY**

18		<b>2006-07</b>	<b>2007-08</b>
19	General Fund	80,224,200	86,396,200
20	Restricted Funds	175,046,300	183,059,600
21	Federal Funds	40,428,600	42,390,300
22	TOTAL	295,699,100	311,846,100

23       **(1) Debt Service:** Included in the above General Fund appropriation is  
 24       \$3,171,000 in fiscal year 2006-2007 and \$1,280,600 in fiscal year 2007-2008 for debt  
 25       service for previously issued bonds.

26       **(2) Kentucky Academy of Math and Science:** Included in the General Fund  
 27       appropriation is \$500,000 in fiscal year 2006-2007 and \$2,800,000 in fiscal year 2007-

1 2008 for operating costs of the Kentucky Academy of Math and Science.

2 **11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

3		2006-07	2007-08
4	General Fund	212,926,800	226,331,100
5	Restricted Funds	273,623,700	292,823,500
6	Federal Funds	144,916,100	153,070,400
7	TOTAL	631,466,600	672,225,000

8 **(1) Firefighters Foundation Program Fund:** Included in the above Restricted  
 9 Funds appropriation is \$28,330,500 in fiscal year 2006-2007 and \$29,351,800 in fiscal  
 10 year 2007-2008 for the Firefighters Foundation Program Fund. Notwithstanding KRS  
 11 95A.250(1), or the provisions of any other law, supplemental payments for each qualified  
 12 professional firefighter under the Firefighters Foundation Program Fund shall be \$3,100  
 13 in fiscal year 2006-2007 and \$3,100 in fiscal year 2007-2008. Notwithstanding KRS  
 14 95A.200 to 95A.300, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year  
 15 2007-2008 from the Firefighters Foundation Program Fund is authorized to be expended  
 16 on firefighter training, equipment, and support activities. Notwithstanding KRS 95A.200  
 17 to 95A.300, an additional \$750,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year  
 18 2007-2008 from the Firefighters Foundation Program Fund is authorized to be spent on a  
 19 comprehensive physical aptitude test program for firefighters.

20 **(2) Firefighters Training Center Fund:** Notwithstanding KRS 95A.200 to  
 21 95A.265, \$500,000 in Restricted Funds is provided each fiscal year of the 2006-2008  
 22 fiscal biennium for the Firefighters Training Center Fund.

23 **(3) Health Care Coverage:** Included in the above General Fund appropriation is  
 24 \$1,000,000 in fiscal year 2007-2008 for health care coverage for selected Kentucky  
 25 Community and Technical College System employees. The University of Kentucky may  
 26 recover up to \$1,000,000 in fiscal year 2007-2008 from the Kentucky Community and  
 27 Technical College System for additional costs associated with providing health insurance

1 coverage to those KCTCS employees who remain in the UK personnel system. Such  
 2 recovery is allowed only to the extent that UK can provide documented proof that the cost  
 3 of providing health insurance coverage for those KCTCS employees exceeds collected  
 4 premiums minus deductions for discounts and rebates.

5 **(4) Salary Increases:** It is the intent of General Assembly that employees of  
 6 KCTCS who are in the UK personnel system shall be treated the same with respect to  
 7 compensation plans and salary increases implemented by KCTCS as all other employees  
 8 of KCTCS; specifically, KCTCS shall not utilize the practice of providing lower salary  
 9 increases to KCTCS employees who are in the UK personnel system by offsetting the  
 10 money paid to UK for the cost of providing health insurance to these employees.

11 KCTCS shall make no distinction in compensation plans or salary increases among  
 12 its employees based upon the personnel system to which they belong, except that KCTCS  
 13 may make up the lower salary increases given in the past to those employees of KCTCS  
 14 in the UK personnel system which were based upon reimbursing UK for the cost of  
 15 providing health insurance.

16 **(5) Family Life Skills Center:** The Kentucky Community and Technical College  
 17 System is encouraged to provide funds for the Family Life Skills Center at Hazard  
 18 Community and Technical College - Lees College Campus.

19 ~~[(6) **Conveyance of Property:** Notwithstanding KRS 164A.575 or KRS Chapter~~  
 20 ~~45A, the Kentucky Community and Technical College System may convey fee simple~~  
 21 ~~title to certain of its real property located within the City of Covington, Kentucky, to the~~  
 22 ~~Gateway Community and Technical College Foundation, a Kentucky not-for-profit~~  
 23 ~~corporation, for future consideration as determined reasonable by the President of the~~  
 24 ~~Kentucky Community and Technical College System who is hereby authorized to execute~~  
 25 ~~all necessary documents and to take all necessary action to complete the foregoing~~  
 26 ~~conveyance.] (Veto #19)~~

27 **(7) Education Programs at Department of Corrections Facilities:** Included in

1 the above General Fund appropriation is \$5,800,000 in fiscal year 2006-2007 and  
 2 \$5,800,000 in fiscal year 2007-2008 for education programs at Department of Corrections  
 3 Facilities. The Kentucky Community and Technical College System (KCTCS) shall  
 4 continue to be the provider of educational services to the Department of Corrections  
 5 (DOC). These services include adult basic education classes aimed toward acquiring a  
 6 general education diploma (GED) and various technical trades aimed toward providing  
 7 students with certifications and/or diplomas upon completing qualified examinations. The  
 8 faculty and related staff shall remain employees of KCTCS. KCTCS shall determine  
 9 curriculum which will facilitate transferability of credits to all Kentucky public  
 10 postsecondary institutions. KCTCS faculty and related staff shall abide by all rules and  
 11 regulations of the DOC to ensure that DOC's accreditation requirements and  
 12 rehabilitation goals are met.

13 **(8) Maintenance and Operations of New Facilities:** Included in the above  
 14 General Fund appropriation is \$267,800 in fiscal year 2006-2007 for maintenance and  
 15 operation of new facilities coming on-line.

16 **(9) North American Racing Academy:** Included in the above General Fund  
 17 appropriation is \$300,000 in fiscal year 2006-2007 for personnel to develop the North  
 18 American Racing Academy.

19 **TOTAL - POSTSECONDARY EDUCATION**

20		<b>2006-07</b>	<b>2007-08</b>
21	General Fund (Tobacco)	5,231,200	5,591,200
22	General Fund	1,280,801,100	1,377,191,000
23	Restricted Funds	2,590,413,000	2,747,973,400
24	Federal Funds	666,153,400	702,228,800
25	<b>TOTAL</b>	<b>4,542,598,700</b>	<b>4,832,984,400</b>

26 **L. TRANSPORTATION CABINET**

27 **Budget Units**



1     **1.     GENERAL ADMINISTRATION AND SUPPORT**

2		<b>2006-07</b>	<b>2007-08</b>
3	Restricted Funds	26,000	26,000
4	Road Fund	69,217,100	70,072,400
5	TOTAL	69,243,100	70,098,400

6           **(1)   Biennial Highway Construction Programs:** The Secretary of Transportation  
7 is directed to produce a single document that contains two separately identified sections,  
8 as follows:

9           Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway  
10 Construction Program and Section 2 shall detail the Highway Preconstruction Program  
11 Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006  
12 General Assembly. This document shall mirror in data type and format the fiscal year  
13 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General  
14 Assembly. The document shall be published and distributed to members of the General  
15 Assembly and the public within 60 days of adjournment of the 2006 Regular Session of  
16 the General Assembly.

17          No executive authority shall expend, or otherwise commit in any manner, available  
18 fiscal biennium 2006-2008 Road Fund resources for a project designated as a State  
19 Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway  
20 Preconstruction Program Plan. In the event that federally funded projects contained in the  
21 enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed  
22 due to unforeseen circumstances, or if additional federal funds are received in excess of  
23 the amounts contemplated in this Act, the Transportation Cabinet may advance projects  
24 from the Highway Preconstruction Program Plan only to the extent required to assure that  
25 the Commonwealth makes full use of all available federal funds.

26          The Secretary of the Transportation Cabinet is further directed to report quarterly to  
27 the Interim Joint Committee on Appropriations and Revenue and the Interim Joint

1 Committee on Transportation all activity, as prescribed by KRS 176.430, relating to all  
 2 projects with open activity conducted by the Transportation Cabinet during the biennium  
 3 including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant  
 4 to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report  
 5 in a format prescribed by the Legislative Research Commission.

6 Notwithstanding KRS 176.440(2), any project additions or modifications that the  
 7 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year  
 8 Road Plan shall carry the same force of law as projects that were included in the fiscal  
 9 year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive  
 10 Branch.

11 **(2) Debt Service:** Included in the above Road Fund appropriation is \$7,297,800  
 12 in fiscal year 2006-2007 and \$7,292,500 in fiscal year 2007-2008 for debt service on  
 13 previously authorized bonds for the new Transportation Cabinet office building and  
 14 parking structure.

15 **(3) Adopt-A-Highway Litter Program:** The Transportation Cabinet and  
 16 Environmental and Public Protection Cabinet may receive, accept, and solicit grants,  
 17 contributions of money, property, labor, or other things of value from any governmental  
 18 agency, individual, nonprofit organization, or private business to be used for the Adopt-a-  
 19 Highway Litter Program or other statewide litter programs. Any contribution of this  
 20 nature shall be deemed to be a contribution to a state agency for a public purpose and  
 21 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to  
 22 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter  
 23 11A.

## 24 **2. AVIATION**

25		<b>2006-07</b>	<b>2007-08</b>
26	Restricted Funds	197,000	172,000
27	Federal Funds	15,000	15,000

1	Road Fund	4,000,000	4,000,000
2	TOTAL	4,212,000	4,187,000

3       **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted  
4 Funds appropriation includes operational costs of the program in each fiscal year.

5       **(2) Aviation Projects:** The Transportation Cabinet, Aviation Development  
6 Program shall prioritize~~[-and fund]~~ (*Veto #20*) the following airport projects from  
7 appropriated Road Fund resources~~[-in the designated fiscal year]~~ (*Veto #20*) as included  
8 in the 2006-2012 Six Year Aviation Plan:

9	(a) Bardstown-Nelson County Airport	\$1,200,000	
10	(b) Cynthiana-Harrison County Airport	\$500,000	
11	(c) Fleming-Mason Airport	\$2,000,000	
12	(d) Muhlenberg County Airport	\$1,000,000	
13	(e) Ohio County Airport	\$1,000,000	
14	(f) Big Sandy Regional Airport	\$2,500,000	
15	(g) Leitchfield-Grayson County Airport	\$1,000,000	
16	(h) Madison Airport	\$800,000	
17	(i) Lebanon-Springfield Airport	\$1,000,000	
18	(j) Tompkinsville-Monroe County Airport	\$1,000,000	
19	(k) Danville-Boyle County Airport	\$2,000,000	
20	(l) Muhlenberg County Airport	\$2,000,000	
21	(m) Henderson City County Airport	\$1,000,000	
22	(n) Russell County Airport	\$1,500,000	
23	(o) Powell County Airport	\$1,000,000	
24	(p) Ohio County Airport	\$1,500,000	
25	(q) Russellville-Logan County Airport	\$2,000,000	
26	(r) Falmouth-Pendleton County Airport	\$1,000,000	

27       ~~**(3) Capital City Airport:** No appropriations for the Aviation budget unit or the~~

1 ~~Military Affairs budget unit shall be utilized for the purpose of studying, planning, or~~  
 2 ~~construction of additional runways for, or expansion of, the Capital City Airport.](Veto~~  
 3 ~~#21)~~

4       **(4) Use of Road Fund Resources:** The Cabinet may utilize an amount not to  
 5 exceed \$10,000,000 of its annual Road Fund appropriations for the Department of  
 6 Aviation, including but not limited to providing the above authorized financial aid to  
 7 governmental units and local air boards for the development, construction, reconstruction,  
 8 maintenance, and repair of airport runways, aprons, and taxiways at public airports and  
 9 public use airports as defined in KRS 183.011(20) and (21).

10       **(5) Aviation Plan Project Report:** The Secretary of the Transportation Cabinet  
 11 is directed to report quarterly to the Interim Joint Committee on Appropriations and  
 12 Revenue and the Interim Joint Committee on Transportation all activity relating to all  
 13 aviation projects with open activity conducted by the Transportation Cabinet during the  
 14 biennium including the year each project phase was enacted in a Six Year Aviation Plan.  
 15 The Transportation Cabinet shall submit the electronic quarterly report in a format  
 16 prescribed by the Legislative Research Commission.

### 17       **3. DEBT SERVICE**

	<b>2006-07</b>	<b>2007-08</b>
Road Fund	162,710,200	181,143,200

20       **(1) Toll Road Lease-Rental Payments:** Included in the above Road Fund  
 21 appropriation is \$205,100 in fiscal year 2006-2007 and \$80,000 in fiscal year 2007-2008  
 22 for toll road lease-rental payments.

23       **(2) Toll Road Termination:** The tolls on the Audubon Parkway and the Natcher  
 24 Parkway shall be terminated during the first year of the biennium when the lease-rental  
 25 payments on the toll roads are fully paid.

26       **(3) Resource Recovery Road Lease-Rental Payments:** Included in the above  
 27 Road Fund appropriation is \$90,000 in fiscal year 2006-2007 and \$90,000 in fiscal year

1 2007-2008 for Resource Recovery Road lease-rental payments. The Secretary of the  
2 Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments  
3 to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount  
4 certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road  
5 Fund resources are not sufficient to meet lease-rental payments, the additional amount  
6 required to meet the obligation shall be transferred from the proceeds of the tax levied on  
7 the severance or processing of coal by KRS 143.020.

8 **(4) Economic Development Road Lease-Rental Payments:** Included in the  
9 above Road Fund appropriation is \$146,119,100 in fiscal year 2006-2007 and  
10 \$148,381,200 in fiscal year 2007-2008 for Economic Development Road lease-rental  
11 payments relating to projects financed by Economic Development Road Revenue Bonds  
12 previously authorized by the General Assembly and issued by the Kentucky Turnpike  
13 Authority.

14 **(5) Economic Development Road Bond Debt Service:** Included in the above  
15 Road Fund appropriation is \$16,296,000 in fiscal year 2006-2007 and \$32,592,000 in  
16 fiscal year 2007-2008 for Economic Development Road lease-rental payments to the  
17 Turnpike Authority of Kentucky relating to projects financed by \$350,000,000 in  
18 Economic Development Road Revenue Bonds hereby authorized by the General  
19 Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic  
20 Development Road Projects.

21 **(6) Excess Lease-Rental Payments:** Any moneys not required to meet lease-  
22 rental payments or to meet the administrative costs of the Kentucky Turnpike Authority  
23 shall be transferred to the State Construction account.

24 **(7) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,  
25 no portion of the revenues to the state Road Fund provided by the adjustments in KRS  
26 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment  
27 Acceleration Fund account during the 2006-2008 fiscal biennium.

1     **4.   HIGHWAYS**

2		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
3	Restricted Funds	-0-	361,842,500	72,686,700
4	Federal Funds	30,085,900	654,147,700	675,013,800
5	Road Fund	-0-	667,409,400	670,193,200
6	Highway Bonds	-0-	350,000,000	-0-
7	TOTAL	30,085,900	2,033,399,600	1,417,893,700

8         **(1) Debt Service:** Included in the above Federal Funds appropriation is  
9     \$15,162,700 in fiscal year 2006-2007 and \$15,126,700 in fiscal year 2007-2008 for debt  
10    service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds appropriated for this  
11    purpose in 2005 Ky. Acts, ch. 173, Part I, L., 4., (16) (HB 267).

12        **(2) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:**  
13    Included in the above Federal Funds appropriation is \$34,963,000 in fiscal year 2006-  
14    2007 and \$34,963,000 in fiscal year 2007-2008 for GARVEE Bonds debt service  
15    payments relating to projects financed by \$290,000,000 in GARVEE Bonds hereby  
16    authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of  
17    the GARVEE Bond road projects.

18        **(3) State Supported Construction Programs:** Included in the above Road Fund  
19    appropriation is \$306,587,500 in fiscal year 2006-2007 and \$300,213,300 in fiscal year  
20    2007-2008 for the State Supported Construction Program.

21        **(4) State Resurfacing Program:** Included in the State Supported Construction  
22    Program is \$80,402,200 in fiscal year 2006-2007 and \$87,320,000 in fiscal year 2007-  
23    2008 from the Road Fund for the State Resurfacing Program.

24        **(5) Biennial Highway Construction Program:** Included in the State Supported  
25    Construction Program is \$188,445,300 in fiscal year 2006-2007 and \$175,153,200 in  
26    fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal  
27    biennium 2006-2008 Biennial Highway Construction Program. Included in the above

1 Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal  
2 year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505.

3 **(6) Kentucky Pride Fund Program Report:** The Environmental and Public  
4 Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and  
5 Revenue and the Interim Joint Committee on Transportation a program and financial  
6 status report of all expenditures related to the Kentucky Pride Fund. The status report  
7 shall be provided to the Interim Joint Committee on Transportation no later than October  
8 1 of each year.

9 **(7) Highway Construction Contingency Account:** Included in the State  
10 Supported Construction Program is \$37,740,000 in fiscal year 2006-2007 and  
11 \$37,740,000 in fiscal year 2007-2008 for the Highway Construction Contingency  
12 Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year  
13 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund  
14 created in KRS 224.43-505.

15 **(8) 2006-2008 Biennial Highway Construction Plan:** Projects in the enacted  
16 2004-2006 Biennial Highway Construction Plan are authorized to continue their current  
17 authorization into the 2006-2008 fiscal biennium.

18 **(9) Kentucky Transportation Center:** Notwithstanding KRS 177.320(4),  
19 included in the above Road Fund appropriation is \$290,000 in fiscal year 2006-2007 and  
20 \$290,000 in fiscal year 2007-2008 for the Kentucky Transportation Center.

21 **(10) New Highway Equipment Purchases:** Notwithstanding KRS 48.710(3),  
22 Restricted Funds are appropriated in the amounts of \$1,500,000 in fiscal year 2006-2007  
23 and \$1,500,000 in fiscal year 2007-2008 from the sale of surplus equipment to purchase  
24 new highway equipment.

25 **(11) State Match Provisions:** The Transportation Cabinet is authorized to utilize  
26 state construction moneys or Toll Credits to match federal highway moneys.

27 **(12) Excess Debt Service/Lease-Rental Appropriations:** Any Road Fund

1 appropriations that are not needed to pay lease-rental payments to the Kentucky Turnpike  
2 Authority or debt service on the Transportation Cabinet office building shall be credited  
3 to the State Construction Account.

4 **(13) Federal Aid Highway Funds:** If additional federal highway moneys are made  
5 available to Kentucky by the United States Congress, the funds shall be used according to  
6 the following priority: (a) Any demonstration-specific or project-specific money shall be  
7 used on the project identified; and (b) All other funds shall be used to ensure that projects  
8 in the fiscal biennium 2006-2008 Biennial Highway Construction Plan are funded. If  
9 additional federal moneys remain after these priorities are met, the Transportation  
10 Cabinet may select projects from the Four-Year Preconstruction Program.

11 **(14) Demonstration Projects:** The Transportation Cabinet is authorized to select  
12 up to ten design/build demonstration road related projects. Notwithstanding any  
13 conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the  
14 Transportation Cabinet shall utilize a qualifications-based bidding process within the  
15 context of the provisions of KRS Chapter 176. The Secretary of the Transportation  
16 Cabinet shall determine the nature and scope of each design/build project.

17 **(15) Road Fund Cash Management:** The Secretary of the Transportation Cabinet  
18 is authorized to continue the Cash Management Plan to address the policy of the General  
19 Assembly to expeditiously initiate and complete projects in the fiscal biennium 2006-  
20 2008 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45,  
21 specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance  
22 projects in the Biennial Highway Construction Plan by employing management  
23 techniques that maximize the Cabinet's ability to contract for and effectively administer  
24 the project work. Under the approved Cash Management Plan, the Secretary is directed to  
25 continuously ensure that the unspent project and Road Fund balances available to the  
26 Transportation Cabinet are sufficient to meet expenditures consistent with appropriations  
27 provided.



1       **(16) Biennial Highway Construction Program:** In the event that federally funded  
2 projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway  
3 Construction Program are delayed due to unforeseen circumstances, or if additional  
4 Federal Funds are received in excess of the amounts contemplated in this Act, the  
5 Transportation Cabinet may advance projects from the Highway Preconstruction Program  
6 Plan only to the extent required to ensure that the Commonwealth makes full use of all  
7 available Federal Funds.

8       **(17) Programmatic Adjustments:** The Secretary of the Transportation Cabinet is  
9 authorized to adjust the specific sums comprising the Highways appropriation programs  
10 enumerated above for the purposes of enhancing public safety, maximizing available  
11 Federal Funds, supporting economic development, and accelerating state construction  
12 projects.

13       **(18) Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the  
14 above Restricted Funds appropriation is \$290,000,000 in fiscal year 2006-2007 for  
15 GARVEE Bond Funds.

16       **(19) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,  
17 unexpended Road Fund, Federal Funds, and Restricted Funds appropriations in the  
18 Highways budget unit for the Construction program, the Maintenance program, and the  
19 Research program in fiscal year 2005-2006 and fiscal year 2006-2007 shall not lapse and  
20 shall carry forward.

21       **(20) Road Fund Support for Aviation:** The Cabinet may utilize an amount not to  
22 exceed \$10,000,000 of its annual Road Fund appropriations for the Department of  
23 Aviation, including but not limited to providing financial aid to governmental units and  
24 local air boards for the development, construction, reconstruction, maintenance, and  
25 repair of airport runways, aprons, and taxiways at public airports and public use airports  
26 as defined in KRS 183.011(20) and (21), as identified in Part I, L.2., Aviation, of this Act.

27       **(21) Paving and Rehabilitation:** The Kentucky Transportation Cabinet is

1 encouraged to provide grading and paving rehabilitation efforts on I-64 from Grayson to  
2 the West Virginia border at the level equal to that accomplished on I-64 in Bath County,  
3 Rowan County, and the remainder of Carter County.

4       **(22) Interlocal Agreement:** Any local government may be permitted to enter into  
5 a cooperative agreement with the Transportation Cabinet to maintain traffic control  
6 devices on state maintained roads within the local government's jurisdiction and shall be  
7 reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The  
8 agreement may permit local governments to make temporary repairs to state maintained  
9 road surfaces within the local government's jurisdiction and shall be reimbursed by the  
10 Transportation Cabinet for the actual cost of the temporary repairs.

11       **(23) Rest Area Closure:** Notwithstanding KRS 177.240, the Transportation  
12 Cabinet may close the following five rest area sites:

13       (a) Hart County - One site located on I-65 southbound at milepost 55.1;

14       (b) Hardin County - Two sites located on I-65 northbound and southbound at  
15 milepost 81.0;

16       (c) Madison County - Two sites located on I-75 northbound and southbound at  
17 milepost 82.3.

18       **(24) Pavement Management:** The Secretary of the Transportation Cabinet may  
19 implement a Pavement Management Program to promote pavement preventive  
20 maintenance and maintain a higher level of pavement quality between resurfacing cycles.  
21 The Transportation Cabinet may expend an amount not to exceed \$8,000,000 for this  
22 purpose for the 2006-2008 biennium.

23       **(25) Miscellaneous Road Fund Projects:** The Transportation Cabinet may  
24 undertake the following miscellaneous road projects, using the suggested Road Fund  
25 allocations contained therein:

26       (a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in  
27 Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in

1     fiscal year 2006-2007;

2           (b)   Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near  
3     Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year  
4     2006-2007;

5           (c)   Fayette County Traffic Control Device: Add a left turn signal to both sides of  
6     the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in  
7     Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund  
8     resources;

9           (d)   Fayette County Traffic Control Device: Install a traffic light at Helmsdale and  
10    Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;

11          (e)   Fayette County Traffic Control Device: Install a traffic light at Todds Road  
12    and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;

13          (f)   Floyd County Traffic Control Device: Install a traffic control device on KY 80  
14    at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in  
15    fiscal year 2006-2007;

16          (g)   Franklin County Tunnel Maintenance: Implement a tunnel clearance project  
17    adjacent to the Kentucky River for \$500,000 from the Highway Construction  
18    Contingency Account in fiscal year 2006-2007;

19          (h)   Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street  
20    in the City of Madisonville for \$390,000 from the Highway Construction Contingency  
21    Account in fiscal year 2007-2008;

22          (i)   Jefferson County, Louisville Kennedy Bridge: ~~[- The Transportation Cabinet~~  
23    ~~shall]~~ (Veto #22) complete the painting of the Kennedy Bridge on Interstate 65 in  
24    Louisville, Kentucky within the current biennium;

25          (j)   Jefferson County Traffic Control Device: Install a traffic control device at the  
26    intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky  
27    for \$25,000 from Road Fund resources in fiscal year 2006-2007;

1       (k) Jefferson County Sound Barriers:~~[A sound barrier shall be]~~ (Veto #23)  
 2       installed on the north side of I-264/Watterson Expressway from the west side of the  
 3       Newburg Interchange going west 1,500 feet~~[The cost related to the installation of the~~  
 4       ~~sound barrier shall be funded for \$650,000 from the Highway Construction Contingency~~  
 5       ~~Account in fiscal year 2006-2007]~~ (Veto #23);

6       (l) Jefferson County Bridge Preservation: Restore and reconstruct the historic  
 7       bridge on Old Taylorsville Road over Chenoweth Run Creek, for \$210,000 from the  
 8       Municipal Bond Pool;

9       (m) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near  
 10      Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County  
 11      for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-  
 12      2007;

13      (n) Kenton County Traffic Control Device: Install a traffic control device at the  
 14      intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund  
 15      resources in fiscal year 2006-2007;

16      (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green  
 17      Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-  
 18      2007;

19      (p) Rowan County Street and Parking Improvements: Improve streets and parking  
 20      in the City of Morehead for \$150,000 from the Highway Construction Contingency  
 21      Account in fiscal year 2006-2007;

22      (q) Russell County Guardrail Installation: Install approximately 500 feet of  
 23      guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from  
 24      Road Fund resources;

25      (r) Russell County Bridge Replacement: Replace the bridge on Payne Road in  
 26      Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;

27      (s) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson

1 County beginning at US 31W to the Warren County line for \$110,000 from the Highway  
2 Construction Contingency Account in fiscal year 2006-2007;

3 (t) Simpson County Widening and Resurfacing: Widen and resurface Rapids-  
4 Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction  
5 Contingency Account in fiscal year 2006-2007;

6 (u) Simpson County Widening and Resurfacing: Widen and resurface Neely Road  
7 in Simpson County for \$137,000 from the Highway Construction Contingency Account  
8 in fiscal year 2006-2007; and

9 (v) Simpson County Highway Access: Create an access point on the south side of  
10 KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid  
11 from Road Fund resources.

12 **(26) Louisville Bridges Project Plan Report:** The Secretary of the Transportation  
13 Cabinet shall submit to the Legislative Research Commission by December 1, 2006, a  
14 long-term planning report for the Louisville Bridges Project. The planning report shall  
15 include project strategy, timeline, projected and actual financial data, construction  
16 schedule, total cost and cost to complete, anticipated revenues, revenue sources, and the  
17 overall financial impact on state transportation funds of the Louisville Bridges Project  
18 with respect to the federally funded component and the state-funded component, over the  
19 life of the project. The Transportation Cabinet shall also submit to the Interim Joint  
20 Committee on Appropriations and Revenue and the Interim Joint Committee on  
21 Transportation a copy of the Initial Financial Plan at the same time as it files the plan with  
22 the Federal Highway Administration, but in no event later than December 31, 2006.

## 23 **5. JUDGMENTS**

24 **(1) Payment of Judgments:** Road Fund resources required to pay judgments  
25 shall be transferred from the State Construction Account at the time when actual  
26 payments must be disbursed from the State Treasury.

27 **(2) Carry Forward of Road Fund Appropriation Balance:** Notwithstanding

1 KRS 45.229, any funds not expended by June 30, 2007, shall not lapse and shall carry  
2 forward.

### 3 **6. PUBLIC TRANSPORTATION**

4		2006-07	2007-08
5	General Fund	7,703,400	5,203,400
6	Restricted Funds	555,700	555,700
7	Federal Funds	40,204,200	40,233,600
8	TOTAL	48,463,300	45,992,700

9 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize to the  
10 extent necessary the use of Toll Credits to match Federal Funds for transit systems capital  
11 grants.

12 **(2) Nonpublic School Transportation:** Included in the above General Fund  
13 appropriation is \$2,950,000 in fiscal year 2006-2007 and \$2,950,000 in fiscal year 2007-  
14 2008 for nonpublic school transportation.

15 **(3) State Match Provisions:** Included in the above General Fund appropriation is  
16 \$2,500,000 in fiscal year 2006-2007 to provide additional General Fund match resources  
17 to support increased grant expenditures related to federal funds for metropolitan public  
18 transit system. Notwithstanding KRS 45.229, this appropriation shall not lapse and shall  
19 carry forward.

### 20 **7. REVENUE SHARING**

21		2005-06	2006-07	2007-08
22	Road Fund	11,858,400	241,886,100	244,276,700

23 **(1) County Road Aid Program:** (a) Included in the above Road Fund  
24 appropriation is \$91,417,600 in fiscal year 2006-2007 and \$92,249,300 in fiscal year  
25 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410,  
26 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been  
27 reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which

1 has been appropriated to the Highways budget unit for the support of the Kentucky  
2 Transportation Center.

3 (b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by  
4 \$6,039,000 in fiscal year 2006-2007 and \$8,784,000 in fiscal year 2007-2008 and  
5 appropriated in the Debt Service budget unit for the support of the \$350,000,000 of  
6 Highway Bonds authorized in Part I, L. Transportation, 4. Highways of this Act.

7 **(2) Rural Secondary Program:** (a) Included in the above Road Fund  
8 appropriation is \$110,900,200 in fiscal year 2006-2007 and \$111,909,100 in fiscal year  
9 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330,  
10 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts  
11 have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-  
12 2008 which has been appropriated to the Highways budget unit for the support of the  
13 Kentucky Transportation Center.

14 (b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by  
15 \$7,326,000 in fiscal year 2006-2007 and \$10,656,000 in fiscal year 2007-2008 and  
16 appropriated in the Debt Service budget unit for the support of the \$350,000,000 of  
17 Highway Bonds authorized in Part I, L. Transportation, 4. Highways of this Act.

18 **(3) Municipal Road Aid Program:** (a) Included in the above Road Fund  
19 appropriation is \$38,465,300 in fiscal year 2006-2007 and \$38,815,300 in fiscal year  
20 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365,  
21 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been  
22 reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which  
23 has been appropriated to the Highways budget unit for the support of the Kentucky  
24 Transportation Center.

25 (b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by  
26 \$2,541,000 in fiscal year 2006-2007 and \$3,696,000 in fiscal year 2007-2008 and  
27 appropriated in the Debt Service budget unit for the support of the \$350,000,000 of

1 Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act.

2       **(4) Energy Recovery Road Fund:** Included in the above Road Fund  
3 appropriation is \$1,103,000 in fiscal year 2006-2007 and \$1,303,000 in fiscal year 2007-  
4 2008 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,  
5 177.9772, 177.978, 177.979, and 177.981.

6 **8. VEHICLE REGULATION**

7		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
8	Restricted Funds	-0-	4,109,900	4,101,900
9	Federal Funds	-0-	3,285,500	285,500
10	Road Fund	947,300	17,396,100	18,269,900
11	TOTAL	947,300	24,791,500	22,657,300

12 **TOTAL - TRANSPORTATION CABINET**

13		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
14	General Fund	-0-	7,703,400	5,203,400
15	Restricted Funds	-0-	366,731,100	77,542,300
16	Federal Funds	30,085,900	697,652,400	715,547,900
17	Road Fund	12,805,700	1,162,618,900	1,187,955,400
18	Highway Bonds	-0-	350,000,000	-0-
19	TOTAL	42,891,600	2,584,705,800	1,986,249,000

20 **PART II**

21 **CAPITAL PROJECTS BUDGET**

22 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

23 Moneys in the Capital Construction Fund are appropriated for the following capital  
24 projects subject to the conditions and procedures in this Act. Items listed without  
25 appropriated amounts are previously authorized for which no additional amount is  
26 required. These items are listed in order to continue their current authorization into the  
27 2006-2008 fiscal biennium. Unless otherwise specified, reauthorized projects shall



1 conform to the original authorization enacted by the General Assembly.

2       **(2) Expiration of Existing Line-Item Capital Construction Projects:** All  
3 appropriations to existing line-item capital construction projects expire on June 30, 2006,  
4 unless reauthorized in this Act with the following exceptions: (a) A construction contract  
5 for the project shall have been awarded by June 30, 2006; (b) Permanent financing or a  
6 short-term line of credit sufficient to cover the total authorized project scope shall have  
7 been obtained in the case of projects authorized for bonds, provided that the authorized  
8 project completes an initial draw on the line of credit within the biennium immediately  
9 subsequent to the original authorization; (c) Grant or loan agreements, if applicable, shall  
10 have been finalized and properly signed by all necessary parties. Notwithstanding the  
11 criteria set forth in this section, the disposition of 2004-2006 biennium nonstatutory  
12 appropriated maintenance pools funded from Capital Construction Investment Income  
13 shall remain subject to the provisions of KRS 45.770(4)(c); and (d) Any capital  
14 construction project authorized pursuant to actions approved by the 2005 General  
15 Assembly in House Joint Resolution 92 (2005 Ky. Acts ch. 170, Vol. Ia, Part II Coal  
16 Severance Tax Projects), unless otherwise provided for in this Act, is deemed to be  
17 reauthorized up to the total amount of receipts allocated to the single county account at  
18 the end of fiscal year 2005-2006. Notwithstanding the criteria set forth in this section, the  
19 disposition of 2004-2006 biennium nonstatutory appropriated maintenance pools funded  
20 from Capital Construction Investment Income shall remain subject to the provisions of  
21 KRS 45.770(4)(c).

22       **(3) New Bond Projects:** Bond projects authorized for the first time in this Part  
23 which have debt service supported by state General Fund appropriations are authorized in  
24 the first year of the biennium. The sale of bonds to finance four projects, Western  
25 Kentucky Veterans Center - Alzheimer's/General Care Unit, Acquire Land for Wendell  
26 H. Ford Regional Training Center, School Facilities Construction Commission Offers of  
27 Assistance, Louisville Arena, and Highway Bonds, shall occur after July 1, 2006.

1       The sale of bonds to finance the following projects shall occur after January 1,  
2   2007:

- 3       (a) KIA Infrastructure for Economic Development for Coal Producing Counties;
- 4       (b) KIA Infrastructure for Economic Development for Non-Coal Producing  
5   Counties;
- 6       (c) Community Development Projects;
- 7       (d) Warren County Fiscal Court Transpark - Rail Spur and Infrastructure  
8   Improvements;
- 9       ~~[(e) Animal Shelters;~~
- 10      ~~[(f) Kentucky River Authority Locks and Dams Renovation and Maintenance~~  
11 ~~Pool;~~
- 12      ~~[(g) The Louisville Zoo - Glacier Run] (Veto #4)~~
- 13      (h) New Horse Park Indoor Arena;
- 14      (i) Rockcastle County Vocational and Technical Center;
- 15      (j) Petroleum Underground Storage Tank;
- 16      ~~[(k) CPE Capital Renewal and Maintenance Pool;] (Veto #4)~~
- 17      (l) KCTCS - Franklin Technology Center Project Expansion; and
- 18      (m) All Agency Bond funded projects.

19       The sale of all other bonds to finance the remaining projects shall occur after July 1,  
20   2007.

21       **(4) Bond Proceeds Investment Income:** Investment income earned from bond  
22   proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage  
23   rebates and penalties and excess bond proceeds upon the completion of a bond-financed  
24   capital project may be used to pay debt service according to the Internal Revenue Service  
25   Code and accompanying regulations. Notwithstanding KRS 48.010(13)(b), 48.720, or any  
26   section of this Act, any funds appropriated but not required to pay debt service because of  
27   this fund source substitution shall be credited to the Statewide Deferred Maintenance

1 Fund account each year. Unneeded debt service resulting from any other circumstance  
 2 shall lapse in accordance with KRS 48.010(13)(b), 48.720, and other provisions of this  
 3 Act except for the following: if the fund balance in the Emergency Repair, Maintenance,  
 4 and Replacement Fund falls below \$5,000,000 in fiscal year 2006-2007, any debt service  
 5 lapse necessary to bring the fund balance to \$5,000,000 in that fiscal year shall be  
 6 credited to the Emergency Repair, Maintenance, and Replacement Fund. No transfer to  
 7 the Emergency Repair, Maintenance, and Replacement Fund, or the Statewide Deferred  
 8 Maintenance Pool account, shall be made based on the above provisions if the lapse from  
 9 other General Fund accounts is insufficient to meet appropriations approved in other Parts  
 10 of this Act.

11 **(5) Appropriations for Projects Not Line-Itemized:** Inasmuch as the  
 12 identification of specific projects in a variety of areas of the state government cannot be  
 13 ascertained with absolute certainty at this time, amounts are appropriated for specific  
 14 purposes to projects which are not individually identified in this Act in the following  
 15 areas: Kentucky Infrastructure Authority Water and Sewer Projects; Kentucky River  
 16 Authority Locks and Dams Renovation and Maintenance Pool; Repair of State-Owned  
 17 Dams; Land Acquisition; Property Demolition; Guaranteed Energy Savings projects;  
 18 Wetland and Stream Mitigation; Phase I Tobacco Settlement Agricultural Development  
 19 Initiative; Community Development projects; Economic Development projects which  
 20 shall include authorization for the High-Tech Construction Pool and the High-Tech  
 21 Investment Pool; Infrastructure projects; ~~the Capital Renewal and Maintenance~~  
 22 ~~Bond~~ *(Veto #4)* Pool; Heritage Land Conservation projects; Flood Control projects; the  
 23 Parks Renovation Pool; Parks Development Pool; the Statewide Repair, Maintenance,  
 24 and Replacement Pool; the Education Technology Pool; ~~the Postsecondary Education~~  
 25 ~~Institutions Technology and Equipment Pool; the Postsecondary Education Institutions~~  
 26 ~~Research Support/Lab Renovation and Equipment Pool;~~ *(Veto #4)* the Local District  
 27 Health Departments Construction Pool; and University Major Items of Equipment Pools.

1 Any projects estimated to cost over \$400,000 and equipment estimated to cost over  
2 \$100,000 shall be reported to the Capital Projects and Bond Oversight Committee. All  
3 moneys transferred to the Finance and Administration Cabinet for capital construction  
4 from any appropriations, including income from investments, shall be expended,  
5 accounted for, and otherwise treated in the same manner as funds appropriated directly to  
6 the Finance and Administration Cabinet for capital construction.

7       **(6) Jefferson County Medical Society:** Notwithstanding KRS Chapter 45A or  
8 any other statute or provision of the law to the contrary, the Commonwealth releases the  
9 Medical Foundation of Jefferson County Medical Society from its Promissory Note dated  
10 June 15, 1979, in the principal amount of \$110,000.

11       **(7) Executive Mansion Restoration:** In accordance with the process involved in  
12 previous renovations of the Executive Mansion and notwithstanding KRS 11.027, 41.290,  
13 56.491, and 337.505 to 337.550, KRS Chapter 45A, or any other provision of law to the  
14 contrary, the Finance and Administration Cabinet is authorized to enter into an agreement  
15 with the Governor's Mansion Preservation Foundation (the foundation) concerning the  
16 renovation of the Executive Mansion. All design drawings for the renovation shall be  
17 inspected and approved by the Division of Historic Properties for the purpose of ensuring  
18 that the work and materials are consistent with the principles of historic preservation and  
19 in compliance with all applicable codes and regulations. All work shall be conducted  
20 under the supervision of the Finance and Administration Cabinet's Division of Historic  
21 Properties, and all such work shall become the property of the Commonwealth. The  
22 foundation shall have the authority to select contractors and service providers and to enter  
23 into contracts to purchase or receive donations of goods, materials, and services necessary  
24 to the renovation; provided, however, that payment and performance bonds in an amount  
25 deemed by the Secretary of the Finance and Administration Cabinet to be appropriate for  
26 the protection of the Commonwealth's interest therein shall be provided with respect to  
27 work performed on the Executive Mansion.

(8) **Bond Issues for Tobacco and Non-Coal Producing Counties:** Any authorized bond project from the Infrastructure for Economic Development Fund for Tobacco Counties, Water and Sewer Resource Development Fund for Tobacco Counties, and Infrastructure for Economic Development Fund for Non-Coal Producing Counties may be financed from any associated bond issue for the Infrastructure for Economic Development Fund for Tobacco Counties, Water and Sewer Resource Development Fund for Tobacco Counties, and Infrastructure for Economic Development Fund for Non-Coal Producing Counties.

9 **A. GENERAL GOVERNMENT**

Budget Units	2006-07	2007-08
<b>1. VETERANS' AFFAIRS</b>		
001. Construct State Veterans Cemetery - Northeast Kentucky (Greenup County)		
General Fund	395,000	-0-
Federal Funds	-0-	8,300,000
TOTAL	395,000	8,300,000
002. Maintenance Pool		
Investment Income	100,000	100,000
003. Construct State Veterans Cemetery - Southeast Kentucky (Leslie County)		
General Fund	-0-	200,000
Federal Funds	-0-	6,000,000
TOTAL	-0-	6,200,000
004. Western Kentucky Veterans' Center - Alzheimer's/General Care Unit		
Bond Funds	1,757,000	-0-
<b>2. KENTUCKY INFRASTRUCTURE AUTHORITY</b>		
001. KIA Fund F - Drinking Water Revolving Loan Program		
Federal Funds	20,000,000	-0-
Bond Funds	4,000,000	-0-

1	TOTAL	24,000,000	-0-
2	002. KIA Fund A - Federally Assisted Wastewater Program		
3	Federal Funds	20,000,000	-0-
4	Bond Funds	4,000,000	-0-
5	TOTAL	24,000,000	-0-

6 003. Infrastructure for Economic Development Fund for Non-Coal Producing  
7 Counties

8	Bond Funds	150,000,000	-0-
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9 004. Infrastructure for Economic Development Fund for Coal-Producing  
10 Counties

11	Bond Funds	100,000,000	-0-
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12 **(1) Expenditure of Loan Repayments Cash Balances:** The Kentucky  
13 Infrastructure Authority is authorized to expend the cash balances from loan repayments  
14 on deposit at the trustee bank for financial assistance, in the form of low-interest loans, to  
15 governmental agencies for professional planning and preliminary engineering design  
16 work required for eligible Fund A wastewater projects.

17 005. City of Hindman - Water Line Improvements  
18 Reauthorization and Reallocation (\$88,888)

19 The above project is authorized from a reallocation from the Knott County Water  
20 and Sewer District - Ball Creek Water Project and Others in 2005 HJR 92 (2005 Ky. Acts  
21 ch. 170, Vol. Ia, Part II, Infrastructure for Economic Development Fund for Coal-  
22 Producing Counties, p. 1830).

### 23 3. MILITARY AFFAIRS

24 001. Construct Joint Use Readiness Center Paducah

25	Federal Funds	11,400,000	-0-
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26 002. Bluegrass Station Facility Maintenance Pool

27	Restricted Funds	2,500,000	2,500,000
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1	003. Acquire Land for Wendell H. Ford Regional Training Center		
2	Bond Funds	4,500,000	-0-
3	004. Upgrade DMA Statewide Radio System - Additional		
4	Federal Funds	3,000,000	-0-
5	005. Maintenance Pool		
6	Investment Income	860,000	860,000
7	006. Construct Warehouse - Bluegrass Station		
8	Restricted Funds	375,000	-0-
9	Federal Funds	1,125,000	-0-
10	TOTAL	1,500,000	-0-
11	007. Aircraft Maintenance Pool		
12	Investment Income	500,000	500,000
13	<b>4. GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT</b>		
14	001. Owenton/Owen County Natural Gas Line Project		
15	Bond Funds	5,000,000	-0-
16	002. Flood Control Matching Fund/State Owned Dam Repair		
17	General Fund	800,000	800,000
18	Restricted Funds	700,000	700,000
19	Investment Income	500,000	500,000
20	TOTAL	2,000,000	2,000,000
21	003. Warren County Fiscal Court - Transpark - Rail Spur		
22	Bond Funds	4,500,000	-0-
23	004. Leslie County Fiscal Court - Leslie County Six Volunteer Fire		
24	Departments - Equipment and Operations		
25	Reauthorization and Reallocation (\$120,000 Restricted Funds)		
26	The above project is authorized from a reallocation from the Leslie County Fiscal		
27	Court - Equipment and Operations project in 2005 Ky. Acts ch., 173, Part I, A., 9.,b.		

1	005. Community Development Fund Projects		
2	General Fund	20,650,800	8,453,000
3	Bond Funds	75,658,000	-0-
4	TOTAL	96,308,000	8,453,000
5	<del>[ 006. Louisville Zoo - Glacier Run</del>		
6	<del>Bond Funds 6,000,000 0 ] (Veto #4)</del>		
7	007. Franklin County - Lease		
8	<b>5. ATTORNEY GENERAL</b>		
9	001. Franklin County - Lease		
10	<b>6. UNIFIED PROSECUTORIAL SYSTEM - COMMONWEALTH'S ATTORNEYS</b>		
11	001. Jefferson County - Lease		
12	<b>7. TREASURY</b>		
13	001. Lease-Purchase of Xerox Laser Printers - Additional		
14	Capital Construction Surplus	141,000	141,000
15	<b>8. AGRICULTURE</b>		
16	001. PACE - Agriculture Enhancement Fund - Additional		
17	Federal Funds	3,600,000	3,600,000
18	002. Large Scale Test Truck		
19	Capital Construction Surplus	175,000	-0-
20	003. Forage Testing Van		
21	Capital Construction Surplus	115,000	-0-
22	004. Fuels/Pesticides Testing Lab		
23	General Fund	-0-	1,650,000
24	<del>[ 005. Animal Shelters</del>		
25	<del>Bond Funds 2,500,000 0 ] (Veto #4)</del>		
26	006. Franklin County - Lease		
27	<b>9. KENTUCKY RETIREMENT SYSTEMS</b>		



1	001. Kentucky Retirement Systems Line of Business Project		
2	Restricted Funds	19,300,000	-0-
3	002. Franklin County - Lease - Perimeter Park West		
4	<b>10. BOARD OF NURSING</b>		
5	001. Jefferson County - Lease		
6	<b>11. KENTUCKY RIVER AUTHORITY</b>		
7	001. Kentucky River Locks and Dams Maintenance and Renovations Pool		
8	<del>[ Bond Funds</del>	<del>17,500,000</del>	<del>0] (Veto #4)</del>
9	Agency Bond Funds	33,200,000	-0-
10	Restricted Funds	4,600,000	-0-
11	TOTAL	55,300,000	-0-
12	<b>12. SCHOOL FACILITIES CONSTRUCTION COMMISSION</b>		
13	001. Offers of Assistance		
14	Bond Funds	100,000,000	-0-
15	002. Additional Offers of Assistance		
16	Bond Funds	50,000,000	-0-
17	003. Urgent Needs School Trust Fund		
18	Reauthorization (\$91,536,000 Bond Funds)		
19	004. School Facilities Construction Commission		
20	Reauthorization (\$73,300,000 Bond Funds)		
21	005. Category 5 School Buildings		
22	Reauthorization (\$24,071,600 Bond Funds)		
23	<b>13. TEACHERS' RETIREMENT SYSTEM</b>		
24	001. KTRS Pension Management System		
25	Reauthorization (\$2,000,000 Restricted Funds)		
26	<b>B. COMMERCE CABINET</b>		
27	<b>Budget Units</b>	<b>2006-07</b>	<b>2007-08</b>

1     **1.   PARKS**

2 ~~[ 001. Parks Renovation Pool~~

3	<u>Bond Funds</u>	<u>8,000,000</u>	<u>0</u>
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~~(1) — Permitted Use of Funds: These Bond Funds may be used for any Department of Parks or Kentucky Horse Park Commission facility owned, leased, or maintained by the Commonwealth.} (Veto #4)~~

7            002. Parks Development Pool

8	Bond Funds	60,000,000	-0-
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9 003. Construct Convention Center E. P. "Tom" Sawyer

10	Other Funds	1,000,000	-0-
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11 004. Maintenance Pool

12	Investment Income	2,740,000	3,990,000
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13     **2. HORSE PARK COMMISSION**

14            001. Construct New Indoor Arena

15	Bond Funds	36,500,000	-0-
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16	Other Funds	6,180,000	-0-
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17	TOTAL	42,680,000	-0-
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18           002. Construct Hotel/Conference Center

19	Other Funds	27,500,000	-0-
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20            003. Maintenance Pool

21	Investment Income	575,000	575,000
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22 004. Construct Permanent Seating Stadium Jump Area

23 Reauthorization (\$1,000,000 Other Funds)

24     **3.     STATE FAIR BOARD**

25      001. Replace Roof for the Pavilion

26	Bond Funds	1,250,000	-0-
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27            002. Maintenance Pool

1	Restricted Funds	1,500,000	1,500,000
2	<del>[ 003. Upgrade HVAC Systems</del>		
3	<del>Bond Funds</del>	<del>2,000,000</del>	<del>0</del> ] (Veto #4)
4	004. Replace Paving from Gate 1 to Gate 2		
5	Reauthorization (\$900,000 Restricted Funds)		
6	005. Renovate KICC Pedway System		
7	Reauthorization (\$1,000,000 Restricted Funds)		
8	006. Repave Parking Lots E, J, and Ashton - Adair		
9	Reauthorization (\$1,330,000 Restricted Funds)		
10	<b>4. FISH AND WILDLIFE RESOURCES</b>		
11	001. Fees-in-Lieu-of Stream Mitigation Projects Pool		
12	Restricted Funds	5,000,000	5,000,000
13	002. Bullock Pen Lake Dam/Spillway Upgrade		
14	Restricted Funds	-0-	3,000,000
15	003. Land Acquisition Pool		
16	Restricted Funds	7,700,000	1,000,000
17	004. Water & Drain Line Replacement		
18	Restricted Funds	250,000	-0-
19	Federal Funds	750,000	-0-
20	TOTAL	1,000,000	-0-
21	005. Maintenance Pool		
22	Restricted Funds	400,000	400,000
23	006. Camp Currie Dining Hall Replacement		
24	Restricted Funds	720,000	-0-
25	007. Camp Webb Swimming Pool		
26	Restricted Funds	700,000	-0-
27	008. Boating/Fishing Access Pool		

1	Restricted Funds	300,000	300,000
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2     **5. HISTORICAL SOCIETY**

3         001. Kentucky History Center Security Upgrades

4	Capital Construction Surplus	238,000	-0-
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5         002. Perryville Battlefield

6	Bond Funds	617,000	-0-
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7     **6. KENTUCKY CENTER FOR THE ARTS**

8         001. Maintenance Pool

9	Investment Income	160,000	160,000
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10                     **C. ECONOMIC DEVELOPMENT CABINET**

11         **(1) Economic Development Bond Issues:** Before any economic development  
12 bonds are issued, the proposed bond issue shall be approved by the Secretary of the  
13 Finance and Administration Cabinet and the State Property and Buildings Commission  
14 under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100,  
15 administration of the Economic Development Bond Program by the Secretary of the  
16 Cabinet for Economic Development is subject to the following guideline: project  
17 selection shall be documented when presented to the Secretary of the Finance and  
18 Administration Cabinet. Included in the documentation shall be the rationale for selection  
19 and expected economic development impact.

20	<b>Budget Units</b>	<b>2006-07</b>	<b>2007-08</b>
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21     **1. SECRETARY**

22         001. New Economy High-Tech Construction/Investment Pool

23	Bond Funds	20,000,000	-0-
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24     **2. FINANCIAL INCENTIVES**

25         001. Economic Development Bond Pool

26	Bond Funds	17,500,000	-0-
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27         **(1) Purchase Regional Industrial Park:** Included in the above appropriation is

1 \$2,500,000 for the Purchase Regional Industrial Park Authority to support land use and  
 2 development at the Purchase Regional Industrial Park as approved by the Kentucky  
 3 Economic Development Finance Authority.

#### 4 **D. DEPARTMENT OF EDUCATION**

5 <b>Budget Unit</b>	<b>2006-07</b>	<b>2007-08</b>
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#### 6 **1. OPERATION AND SUPPORT SERVICES**

7 001. Kentucky Education Network

8 Bond Funds	8,900,000	-0-
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9 The Secretary of the Education Cabinet, the Commissioner of the Department of  
 10 Education, the President of the Council on Postsecondary Education, the Secretary of the  
 11 Finance and Administration Cabinet, and the Executive Director of the Education  
 12 Professional Standards Board shall submit a coordinated implementation plan with  
 13 timelines and regular progress reports to the Interim Joint Committee on Appropriations  
 14 and Revenue. All expenditures shall require the prior approval of the Secretary of the  
 15 Finance and Administration Cabinet.

16 ~~{ 002. On-Line Assessment~~

17 <del>Bond Funds</del>	<del>15,000,000</del>	<del>0</del>
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18 ~~003. Knowledge Management Portal~~

19 <del>Bond Funds</del>	<del>3,250,000</del>	<del>0</del> (Veto #4)
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20 004. Student Information System

21 Bond Funds	10,000,000	-0-
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22 005. Maintenance Pool

23 Investment Income	675,000	675,000
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24 006. Rockcastle County Vocational and Technical Center

25 Bond Funds	1,500,000	-0-
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26 007. Education Technology Pool

27 Bond Funds	50,000,000	-0-
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1	008. Letcher County Central Vocational Center		
2	Bond Funds	2,000,000	-0-
3	<b>E. EDUCATION CABINET</b>		
4	<b>Budget Units</b>	<b>2006-07</b>	<b>2007-08</b>
5	<b>1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT</b>		
6	001. Maintenance Pool		
7	Investment Income	300,000	300,000
8	<b>2. KENTUCKY EDUCATIONAL TELEVISION</b>		
9	001. Maintenance Pool		
10	Investment Income	100,000	100,000
11	002. Replace Master Control and Production Infrastructure		
12	Bond Funds	15,707,000	-0-
13	<b>3. EMPLOYMENT AND TRAINING</b>		
14	001. KEWES - Seibel Upgrade		
15	Restricted Funds	550,000	-0-
16	Federal Funds	600,000	-0-
17	TOTAL	1,150,000	-0-
18	002. KEWES - Appeals Upgrade		
19	Restricted Funds	250,000	-0-
20	Federal Funds	250,000	-0-
21	TOTAL	500,000	-0-
22	003. Replace HVAC System - Winchester Office of Employment and Training		
23	Capital Construction Surplus	335,000	-0-
24	<b>4. VOCATIONAL REHABILITATION</b>		
25	001. Franklin County - Lease		
26	002. Fayette County - Lease		
27	<b>F. ENVIRONMENTAL AND PUBLIC PROTECTION CABINET</b>		

1	<b>Budget Units</b>	<b>2006-07</b>	<b>2007-08</b>
2	<b>1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT</b>		
3	001. Kentucky Heritage Land Conservation Fund - Additional		
4	Restricted Funds	3,000,000	3,000,000
5	Federal Funds	1,000,000	1,000,000
6	TOTAL	4,000,000	4,000,000
7	002. Maintenance Pool		
8	Investment Income	200,000	200,000
9	<b>2. ENVIRONMENTAL PROTECTION</b>		
10	001. Hazardous Waste Management Fund - Additional		
11	Restricted Funds	2,100,000	2,100,000
12	002. State Funded Leaking Underground Storage Tanks - Additional		
13	Restricted Funds	500,000	500,000
14	003. Maxey Flats Construct Deep Well Monitoring		
15	Restricted Funds	500,000	-0-
16	004. Franklin County - Lease - Ash Building		
17	005. Franklin County - Lease - Schenkel Lane		
18	<b>3. MINE RECLAMATION AND ENFORCEMENT</b>		
19	001. Franklin County - Lease		
20	<b>4. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND</b>		
21	001. Petroleum Storage Tank Environmental Assurance Fund		
22	Bond Funds	25,000,000	-0-
23	<b>5. HOUSING, BUILDINGS AND CONSTRUCTION</b>		
24	001. Franklin County - Lease		
25	<b>6. INSURANCE</b>		
26	001. Franklin County - Lease		
27	<b>7. LABOR</b>		

1           001. Franklin County - Lease - 657 Chamberlin Ave

2 002. Franklin County - Lease - U. S. 127

3 **G. FINANCE AND ADMINISTRATION CABINET**

4	Budget Units	2006-07	2007-08
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5     **1.     GENERAL ADMINISTRATION**

6 001. Louisville Arena

7	Bond Funds	75,000,000	-0-
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(a) The \$75,000,000 of state-supported Bond Funds shall pay a portion of the cost to construct the Louisville Arena, a public project intended for multiple uses as a public, recreational, cultural, and sports facility. Bond funds authorized under this paragraph shall be conditioned upon the Louisville Arena Authority, Inc. conducting all business in accordance with the applicable provisions of KRS Chapter 45A, and with the provisions of the Kentucky Open Records Act (KRS 61.870 to 61.884) and the Kentucky Open Meetings Act (KRS 61.800 to 61.850). The provisions of KRS Chapter 11A shall apply to the Authority's directors, officers, and management and policymaking employees. All decisions regarding the issuance of bonds and whether bonds should be competitively bid or negotiated shall be made by the Authority in an open meeting.

(b) Bond Funds authorized under paragraph (a) shall be conditioned upon the execution of contracts or memorandum of understanding by the Louisville Arena Authority, Inc. and applicable parties to ensure the following:

1. Kentucky State Fair Board - Except as provided in subparagraph 2. below, the Kentucky State Fair Board shall be the sole, independent managing agent for the Louisville Arena and shall have complete authority over day-to-day operations, including but not limited to event attractions, scheduling, and coordination between the Arena and other facilities operated by the Fair Board, in accordance with general guidelines established or mutually modified by the Fair Board and the Authority. Any net-negative financial impact to the Kentucky State Fair Board operations resulting from the



1 movement of existing events from current facilities to the new arena shall be reimbursed  
2 to the Kentucky State Fair Board during the life of the state bonds authorized herein; and

3 2. University of Louisville - The Authority shall agree to acceptable  
4 arrangements with the University for scheduling priorities for men's and women's  
5 basketball games and practices, sharing of catering and concession revenue, allocation  
6 and pricing of parking spaces, marketing and allocation of revenues from suites and  
7 premium seats, arena advertising, signage, banners and branding, ticket prices and  
8 surcharges, arena development team membership, other events and uses of the arena,  
9 rental rates, merchandise revenue sharing and such other matters as the Authority and the  
10 University deem appropriate. The contract or memorandum of understanding referred to  
11 in this subparagraph shall include any term or condition recommended by the Louisville  
12 Arena Task Force and may address any other term or condition mutually agreed upon by  
13 the University and the Authority.

14 (c) If the Arena is constructed at the location commonly known as the "LG&E  
15 site," it is not anticipated that a significant portion of the arena project costs will be borne  
16 by Louisville Gas & Electric. However, for purposes of transparency, if the Arena is  
17 constructed at the LG&E site, any portion of the costs associated with the purchase,  
18 relocation, demolition, or construction of buildings, structures, and equipment assumed  
19 by Louisville Gas & Electric shall be clearly delineated in the contractual agreement  
20 between Louisville Gas & Electric and the Arena Authority, its successor, or any other  
21 entity organized for the purpose of developing, financing, and constructing the Arena.

22 (d) If construction of the Arena is dependent upon construction of a floodwall or  
23 other flood control structures, the costs associated with such construction shall not be  
24 borne by Metropolitan Sewer District ratepayers.

25 (e) The conditions and contingencies imposed by paragraphs (a) through (d)  
26 above shall not be construed in any manner which may negatively impact the Louisville  
27 Arena Authority, Inc.'s ability to seek and receive tax-exempt status pursuant to 26 U.S.C.

1 Section 501(c) and Treas. Reg. Section 1.501(c)(3)-1(d)(2).

2 (f) Any additional debt issued by any other entity other than the Commonwealth  
3 shall not constitute a debt of the Commonwealth or a pledge of the faith and credit of the  
4 Commonwealth. Nor shall any debt issued by any other entity other than the  
5 Commonwealth be deemed, directly or indirectly, to be a moral obligation of the  
6 Commonwealth. In no case shall the Commonwealth pay for any construction cost  
7 overruns or operating costs associated with the Louisville Arena.

## 8 **2. FACILITIES AND SUPPORT SERVICES**

9 001. Renovate Kentucky State Office Building - Additional

10	Bond Funds	13,600,000	-0-
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11 002. Capital Plaza Complex - Renovation and Design

12	Bond Funds	4,942,000	-0-
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13 003. Statewide Repair, Maintenance, and Replacement

14	Bond Funds	10,000,000	-0-
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15 **(1) Statewide Repair, Maintenance, and Replacement Pool Fund:** Included in  
16 the above Statewide Repair, Maintenance, and Replacement Pool Fund are the following  
17 Bond Funds supported projects and related appropriations in fiscal year 2006-2007:

18 (a) Facilities and Support Services Maintenance Pool, \$7,500,000;

19 (b) Parks, Maintenance Pool, \$1,250,000; and

20 (c) Justice and Public Safety Cabinet, Corrections Management, Maintenance  
21 Pool, \$1,250,000.

22 004. Acquire Land/Demolish Structures Statewide - Additional

23	Capital Construction Surplus	903,000	904,000
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24 005. Governor's Mansion HVAC and Window Replacement - Additional

25	Investment Income	90,000	-0-
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26 006. Guaranteed Energy Savings Performance Contracts

## 27 **3. COMMONWEALTH OFFICE OF TECHNOLOGY**

1           **(1) Transfer of Restricted Funds from Operating Budget:** For the major  
2 equipment purchases displayed in this section funded from Restricted Funds, it is  
3 anticipated that these funds shall be transferred from the Operating Budget as funds are  
4 available and needed.

5 001. Public Safety Commission Infrastructure - KEWS - Additional

6	Federal Funds	16,166,000	-0-
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7	Bond Funds	13,000,000	-0-
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8	TOTAL	29,166,000	-0-
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## 9 002. Data Center Readiness

10	Bond Funds	1,400,000	-0-
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11 003. KY Information Highway Expansion 06-08

12	Restricted Funds	1,975,000	1,975,000
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13 004. Enterprise Server (z/OS) Upgrade/Replacement

14	Restricted Funds	800,000	400,000
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15            005. Statewide Digital Orthoimagery Basemap Update 06-08

16	Restricted Funds	500,000	500,000
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17            006. Enterprise Applications Upgrade

18	Restricted Funds	500,000	500,000
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19      007. Enterprise Project Management Information System

20	Restricted Funds	425,000	425,000
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21 008. Franklin County - Lease - Genesco Building Warehouse

22            009. Franklin County - Lease - 100 Fair Oaks

## 23           010. Disk Storage Upgrade

24 Reauthorization (\$800,000 Restricted Funds)

25            011. Enterprise Storage Solution

26 Reauthorization (\$2,000,000 Restricted Funds)

27      012. Enterprise Server Complex Upgrade

1	Reauthorization (\$2,500,000 Restricted Funds)		
2	013. Enterprise UNIX Server(s) Consolidation		
3	Reauthorization (\$3,300,000 Restricted Funds)		
4	014. Statewide Digital Orthoimagery Basemap Update		
5	Reauthorization (\$200,000 Restricted Funds, \$300,000 Federal Funds)		
6	015. Enterprise Messaging		
7	Reauthorization (\$660,000 Restricted Funds)		
8	016. Kentucky Information Highway Upgrade Expansion		
9	Reauthorization (\$3,500,000 Restricted Funds)		
10	017. Enterprise Infrastructure Security		
11	Reauthorization (\$1,000,000 Restricted Funds)		
12	018. Disaster Recovery Phase I & II		
13	Reauthorization (\$1,200,000 Restricted Funds)		
14	<b>4. REVENUE</b>		
15	001. Implement a Comprehensive Tax System - Phase I		
16	Bond Funds	23,250,000	-0-
17	002. Motor Fuels Tax Automation		
18	Federal Funds	1,250,000	-0-
19	Road Fund	1,250,000	-0-
20	TOTAL	2,500,000	-0-
21	003. Franklin County - Lease - Perimeter Park West		
22	004. Franklin County - Lease - 200 Fair Oaks		
23	005. Franklin County - Lease - 100 Fair Oaks		
24	<b>5. KENTUCKY LOTTERY CORPORATION</b>		
25	001. Potential Buyout of On-line Gaming System		
26	Other Funds	12,250,000	-0-
27	002. Data Processing, Telecomm., and Related Equipment		

1	Other Funds	3,000,000	3,000,000
2	003. Contingency on Property Adjacent to New Headquarters		
3	Other Funds	4,000,000	-0-
4	004. iSeries System Upgrades		
5	Other Funds	1,000,000	-0-
6	005. Network Storage and Associated Infrastructure		
7	Other Funds	500,000	-0-
8	<b>H. HEALTH AND FAMILY SERVICES CABINET</b>		
9	<b>Budget Units</b>	<b>2006-07</b>	<b>2007-08</b>
10	<b>1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT</b>		
11	001. Safeguarding Children at Risk (TWIST Re-Write II) - Additional		
12	Federal Funds	3,134,000	-0-
13	Bond Funds	3,134,000	-0-
14	TOTAL	6,268,000	-0-
15	<b>2. MENTAL HEALTH AND MENTAL RETARDATION SERVICES</b>		
16	001. Oakwood - Replace Chillers, Heating & Cooling Lines		
17	Bond Funds	2,131,000	-0-
18	002. Maintenance Pool		
19	Investment Income	1,500,000	1,500,000
20	003. Roof Pool		
21	Capital Construction Surplus	700,000	-0-
22	004. Chiller Pool		
23	Restricted Funds	400,000	-0-
24	005. Fayette County - Lease		
25	006. Franklin County - Lease		
26	007. Hazelwood Intermediate Care Facility		
27	for the Mentally Retarded/Developmentally Disabled - Lease		

1 008. Eastern State Hospital - Lease

## 2 3. DISABILITY DETERMINATION SERVICES

3           001. Franklin County - Lease

#### 4. COMMUNITY BASED SERVICES

5           001. Boone County - Lease

6            002. Boyd County - Lease

7            003. Johnson County - Lease

8            004. Fayette County - Lease - Centre Parkway

9           005. Shelby County - Lease

10           006. Jefferson County - Lease

11           007. Fayette County - Lease

12           008. Kenton County - Lease - Madison Avenue

13           009. Hardin County - Lease

14            010. Campbell County - Lease

15            011. Warren County - Lease

16            012. Kenton County - Lease

17            013. Home of the Innocents - Phase II Children's Village

18	Bond Funds	8,250,000	-0-
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19           **(1) Bond Issuance Contingency:** The amount of bond issuance shall be  
20   contingent upon equalizing matching funds being provided from other fund sources.

21 ~~[ 014. Brooklawn Child and Family Services~~

22	<u>Bond Funds</u>	<u>2,000,000</u>	<u>0</u>
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~~(2) Brooklawn Child and Family Services: The above appropriation shall be used to purchase houses and an apartment building for Brooklawn residents who have completed residential treatment.] (Veto #4)~~

26      **5. PUBLIC HEALTH**

27 001. Health Departments Infrastructure Pool

1	Bond Funds	10,000,000	-0-
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(1) **Health Departments Infrastructure Pool:** In order to address a portion of the construction and renovation needs of Local and District Health Departments, the Health Departments Infrastructure Pool is established. The Department for Public Health shall establish an application process to participate in this pool that shall require in-kind or matching funds from the local agency of not less than 25 percent of the grant requested. No individual grant from this pool shall exceed \$500,000. If the amount of bond funds available from the pool is not sufficient to cover all applications, the Department shall determine the distribution of pool assets.

10 **I. JUSTICE AND PUBLIC SAFETY CABINET**

11	<b>Budget Units</b>	<b>2006-07</b>	<b>2007-08</b>
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12      **1. CRIMINAL JUSTICE TRAINING**

13            001. Maintenance Pool

14	Restricted Funds	300,000	300,000
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15            002. Thompson Hall HVAC

16	Restricted Funds	400,000	-0-
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17     **2. JUVENILE JUSTICE**

18 001. Upgrade Safety and Repair Exterior NKYDC

19                      Emergency, Repair, Maintenance,

20	and Replacement	1,700,000	-0-
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21           002. Upgrade Fire Safety/Repair Morehead YDC

22	Capital Construction Surplus	1,500,000	-0-
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23            003. Maintenance Pool

24	Investment Income	450,000	450,000
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25     **3.     STATE POLICE**

26            001. Maintenance Pool

27	Investment Income	300,000	300,000
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#### 1 4. ADULT CORRECTIONAL INSTITUTIONS

2 001. Renovate Lonnie Watson Building - KCIW

3	Bond Funds	1,697,000	-0-
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4            002. Maintenance Pool

5	Investment Income	1,850,000	600,000
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6     **5. PUBLIC ADVOCACY**

7            001. Franklin County - Lease

8 **J. PERSONNEL CABINET**

## 9 Budget Unit

## 10 1. GENERAL OPERATIONS

11           001. Franklin County - Lease

12 **K. POSTSECONDARY EDUCATION**

~~13 [(1) Postsecondary Education Capital Renewal and Maintenance Pool Match:~~

~~The Capital Renewal and Maintenance Pool provides funding for individual projects at Kentucky's public postsecondary institutions to upgrade and replace building systems and infrastructure in education and general facilities. The individual projects funded from this pool shall be recommended by the Council on Postsecondary Education to the Secretary of the Finance and Administration Cabinet from the project listings previously identified by the Council. The Council shall determine the allocation of the Capital Renewal and Maintenance Pool among the postsecondary education institutions and report that allocation to the Secretary of the Finance and Administration Cabinet and the Legislative Research Commission's Capital Projects and Bond Oversight Committee. The Bond Funds in this pool shall be matched with the institutions' Restricted Funds at varying levels as determined by the Council on Postsecondary Education.}~~ (Veto #4)

25	<b>Budget Units</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
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26 1. COUNCIL ON POSTSECONDARY EDUCATION

27 ~~001. Capital Renewal and Maintenance Pool~~



1	<del>Bond Funds</del>	<del>0</del>	<del>13,927,000</del>	<del>0</del> ] (Veto #4)
2	002. Purchase KYVU/KYVL Electronic Data Bases			
3	Restricted Funds	-0-	7,000,000	-0-
4	003. Purchase KYVL Integrated Library System			
5	Restricted Funds	-0-	4,000,000	-0-
6	004. Purchase Interactive Television (ITV) System			
7	Restricted Funds	-0-	800,000	-0-
8	005. Purchase KYVU Centralized Hosting License			
9	Restricted Funds	-0-	750,000	-0-
10	006. Purchase KYVL Interlibrary Loan System			
11	Restricted Funds	-0-	700,000	-0-
12	007. Purchase KYVL Reference Desk Software			
13	Restricted Funds	-0-	600,000	-0-
14	008. KYVU/KYVL Statewide Software Licenses Pool			
15	Restricted Funds	-0-	500,000	-0-
16	009. Purchase Postsecondary Education Video Conference System			
17	Restricted Funds	-0-	500,000	-0-
18	010. Install Website ADA Compliance Restructuring			
19	Restricted Funds	-0-	500,000	-0-
20	011. Franklin County - Lease			
21	<del>[ 012. Information Technology and Equipment Acquisitions</del>			
22	<del>Bond Funds</del>	<del>0</del>	<del>10,000,000</del>	<del>0</del>
23	<del>013. Research Support/Lab Renovation and Equipment</del>			
24	<del>Bond Funds</del>	<del>0</del>	<del>6,000,000</del>	<del>0</del> ] (Veto #4)
25	<b>2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION</b>			
26	001. Upgrade Information Technology Systems			
27	Federal Funds	-0-	671,000	-0-

1           002. Jefferson County - Lease

2     3.     EASTERN KENTUCKY UNIVERSITY

3 ~~[001. Construct New Student Housing~~

4	Agency Bonds	0	10,520,000	0
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5 ~~002. EKU UK Dairy Research Project (Meadowbrook Farm)~~

6	<b>Bond Funds</b>	0	5,300,000	0.1 (Veto #4)
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7 003. Arlington Renovation and Addition

8	Other Funds	-0-	4,000,000	-0-
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9 004. Library Studio for Academic Creativity

10	Restricted Funds	-0-	-0-	1,500,000
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11 005. Expand and Renovate Presnell Building - Additional

12      Reauthorization (\$1,000,000 Restricted Funds)

13	Restricted Funds	-0-	1,200,000	-0-
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14 006. Expand Indoor Tennis Facility - Additional

15 Reauthorization (\$1,000,000 Restricted Funds)

16	Restricted Funds	-0-	100,000	-0-
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17      007. Construct E & G Life Safety Begley Elevator

18                    Reauthorization (\$750,000 Restricted Funds)

19      008. Guaranteed Energy Savings Performance Contracts

20 009. Construct Science Building

21	Bond Funds	-0-	54,108,000	-0-
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22 010. Construct Manchester Postsecondary Education Center

23	Bond Funds	-0-	3,500,000	-0-
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24      **4.    KENTUCKY STATE UNIVERSITY**

25            001. Construct New Young Hall - Phase II

26	Other Funds	-0-	-0-	6,500,000
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27 002. Construct Center for Training & Learning

1	Federal Funds	-0-	2,755,000	-0-
2	003. Upgrade Online Infrastructure			
3	Restricted Funds	-0-	2,190,000	-0-
4	004. Create Center for Families and Children			
5	Federal Funds	-0-	2,022,000	-0-
6	005. Acquire Property Related to Master Plan			
7	Restricted Funds	-0-	1,000,000	-0-
8	Federal Funds	-0-	1,000,000	-0-
9	TOTAL	-0-	2,000,000	-0-
10	006. Roof Repair & Replacement Pool			
11	Restricted Funds	-0-	1,520,000	-0-
12	Federal Funds	-0-	400,000	-0-
13	TOTAL	-0-	1,920,000	-0-
14	007. Capital Renewal Pool			
15	Restricted Funds	-0-	1,899,000	-0-
16	008. Renovate Jackson Hall			
17	Restricted Funds	-0-	140,000	-0-
18	Federal Funds	-0-	1,488,000	-0-
19	TOTAL	-0-	1,628,000	-0-
20	009. Upgrade Online Security			
21	Restricted Funds	-0-	1,500,000	-0-
22	010. Expand Aquaculture Pond Facilities			
23	Federal Funds	-0-	1,430,000	-0-
24	011. Construct Aquaculture Production Tech Lab			
25	Restricted Funds	-0-	1,000,000	-0-
26	Federal Funds	-0-	200,000	-0-
27	TOTAL	-0-	1,200,000	-0-

1	012. Life Safety Upgrade Pool			
2	Restricted Funds	-0-	1,040,000	-0-
3	013. Replace Online Voice - Centrex			
4	Restricted Funds	-0-	587,000	-0-
5	014. Guaranteed Energy Savings Performance Contracts			
6	<del>[ 015. Expand and Renovate Betty White Nursing Building</del>			
7	<del>    Bond Funds</del>	<del>0</del>	<del>4,900,000</del>	<del>0</del> ] (Veto #4)
8	016. Construct New Residence Hall			
9	Other Funds	-0-	20,000,000	-0-
10	017. Renovate Hathaway Hall, Phase II			
11	Bond Funds	-0-	4,920,000	-0-
12	<del>[ 018. Construct Parking Structure</del>			
13	<del>    Agency Bonds</del>	<del>0</del>	<del>7,000,000</del>	<del>0</del> ] (Veto #4)
14	<b>5. MOREHEAD STATE UNIVERSITY</b>			
15	001. Construct Center for Health, Education, and Research			
16	Bond Funds	-0-	23,000,000	-0-
17	002. Renovate Jayne Stadium			
18	Restricted Funds	-0-	8,400,000	-0-
19	003. Construct East Kentucky Animal Science Center			
20	Federal Funds	-0-	8,000,000	-0-
21	004. Major Item of Equipment Pool			
22	Restricted Funds	-0-	2,752,000	3,400,000
23	005. Construct Kentucky Mountain Crafts Center			
24	Restricted Funds	-0-	5,434,000	-0-
25	006. Construct Law Enforcement Complex			
26	Federal Funds	-0-	5,215,000	-0-
27	007. Upgrade Instructional PCs/LANS/Peripherals			

1	Restricted Funds	-0-	5,000,000	-0-
2	008. Enhance Network/Infrastructure Resources			
3	Restricted Funds	-0-	4,750,000	-0-
4	009. Renovate McClure Pool Area			
5	Restricted Funds	-0-	4,715,000	-0-
6	010. Renovate John Sonny Allen Field			
7	Restricted Funds	-0-	4,166,000	-0-
8	011. Replace Power Plant Pollution Control System			
9	Restricted Funds	-0-	3,540,000	-0-
10	012. Capital Renewal Pool - E&G			
11	Restricted Funds	-0-	3,480,000	-0-
12	013. Renovate Button Auditorium			
13	Restricted Funds	-0-	3,000,000	-0-
14	014. Upgrade Administrative Office Systems			
15	Restricted Funds	-0-	2,500,000	-0-
16	015. Acquire Land Related to Master Plan			
17	Restricted Funds	-0-	2,000,000	-0-
18	016. Construct Softball Facility/Lighting Project			
19	Restricted Funds	-0-	1,700,000	-0-
20	017. Comply with ADA - E&G			
21	Restricted Funds	-0-	850,000	850,000
22	018. Capital Renewal Pool -Auxiliary			
23	Restricted Funds	-0-	1,618,000	-0-
24	019. Upgrade and Expand Distance Learning			
25	Restricted Funds	-0-	1,500,000	-0-
26	020. Expand Student Wellness Center			
27	Restricted Funds	-0-	1,200,000	-0-

1	021. Comply with ADA - Auxiliary			
2	Restricted Funds	-0-	600,000	600,000
3	022. Replace Boiler Tubes			
4	Restricted Funds	-0-	800,000	-0-
5	023. Reconstruct Central Campus			
6	Restricted Funds	-0-	780,000	-0-
7	024. Enhance Library Automation Resources			
8	Restricted Funds	-0-	670,000	-0-
9	025. Expand Life Safety Claypool-Young Building			
10	Restricted Funds	-0-	600,000	-0-
11	026. Renovate Molecular Biology Student Lab			
12	Restricted Funds	-0-	474,000	-0-
13	027. Guaranteed Energy Savings Performance Contracts			
14	028. Construct Equine Hospital			
15	Restricted		1,069,000	-0-
16	<del>[ 029. Construct Student Recreation Center</del>			
17	<del>    Agency Bonds</del>	<del>0</del>	<del>17,000,000</del>	<del>0</del>
18	<del>030. Renovate Student Housing Facilities</del>			
19	<del>    Agency Bonds</del>	<del>0</del>	<del>10,000,000</del>	<del>0 ] (Veto #4)</del>
20	031. Space Science Center - Completion			
21	Bond Funds	-0-	3,400,000	-0-
22	<del>[ 032. Construct Business Continuance Datacenter</del>			
23	<del>    Bond Funds</del>	<del>0</del>	<del>2,500,000</del>	<del>0 ] (Veto #4)</del>
24	<b>6. MURRAY STATE UNIVERSITY</b>			
25	001. New Residential College - Richmond Hall			
26	Agency Bonds	-0-	13,077,000	-0-
27	002. Capital Renewal E&G Pool			

1	Restricted Funds	-0-	12,457,000	-0-
2	003. Administrative Enterprise Resource Planning System			
3	Restricted Funds	-0-	8,000,000	-0-
4	004. Capital Renewal H&D Pool			
5	Restricted Funds	-0-	5,445,000	-0-
6	005. Renovate Pogue Library			
7	Restricted Funds	-0-	4,000,000	-0-
8	006. Renovate Ordway Hall			
9	Restricted Funds	-0-	3,962,000	-0-
10	007. ADA Compliance E&G Pool			
11	Restricted Funds	-0-	3,092,000	-0-
12	008. Centralized Technology Refresh Program			
13	Restricted Funds	-0-	2,600,000	-0-
14	009. Telephone Switching System - Additional			
15	Reauthorization (\$1,525,000 Restricted Funds)			
16	Restricted Funds	-0-	1,975,000	-0-
17	010. Renovate White Hall HVAC System			
18	Restricted Funds	-0-	1,000,000	-0-
19	011. Campus Backbone 10 GigE Upgrade			
20	Restricted Funds	-0-	775,000	-0-
21	012. Construct Open-Sided Stall Barn at Expo Center			
22	Restricted Funds	-0-	770,000	-0-
23	013. ADA Compliance H&D Pool			
24	Restricted Funds	-0-	615,000	-0-
25	014. Life Safety Projects E&G Pool			
26	Restricted Funds	-0-	590,000	-0-
27	015. Central Processing Computer System Upgrade			

1	Restricted Funds	-0-	522,000	-0-
2	016. Online Centralized Data Access/Warehouse			
3	Restricted Funds	-0-	520,000	-0-
4	017. Acquire Land			
5	Restricted Funds	-0-	501,000	-0-
6	018. Renovate A. Carman Pavilion - Phase II			
7	Restricted Funds	-0-	500,000	-0-
8	019. Renovate Wells Hall Interior			
9	Restricted Funds	-0-	500,000	-0-
10	020. Construct Public Safety Building- Additional			
11	Reauthorization (\$1,500,000 Restricted Funds)			
12	Restricted Funds	-0-	500,000	-0-
13	021. Life Safety Projects H&D Pool			
14	Restricted Funds	-0-	300,000	-0-
15	022. Abate Asbestos H&D Pool			
16	Restricted Funds	-0-	276,000	-0-
17	023. Guaranteed Energy Savings Performance Contracts			
18	024. Construct New Science Complex - Phase III			
19	Bond Funds	-0-	15,000,000	-0-
20	<del>[ 025. Replace Franklin Hall</del>			
21	<del>Agency Bonds</del>	<del>0</del>	<del>13,077,000</del>	<del>0</del>
22	<del>026. Renovate Curris Center T Room</del>			
23	<del>Agency Bonds</del>	<del>0</del>	<del>750,000</del>	<del>0 ] (Veto #4)</del>
24	<b>7. NORTHERN KENTUCKY UNIVERSITY</b>			
25	001. Construct New Student Union			
26	Agency Bonds	-0-	17,360,000	-0-
27	002. Acquire New Residence Hall			



1	Restricted Funds	-0-	10,000,000	-0-
2	003. Construct Alumni Welcome Center			
3	Other Funds	-0-	7,800,000	-0-
4	004. Relocate Master Plan Infrastructure			
5	Restricted Funds	-0-	6,130,000	-0-
6	005. Acquire Land/Campus Master Plan			
7	Restricted Funds	-0-	6,000,000	-0-
8	006. Construct Track and Field Stadium			
9	Other Funds	-0-	5,500,000	-0-
10	007. Construct Soccer Stadium			
11	Restricted Funds	-0-	5,500,000	-0-
12	008. Major Item of Equipment Pool			
13	Restricted Funds	-0-	5,410,000	-0-
14	009. Construct Central Plaza Phase II			
15	Restricted Funds	-0-	4,900,000	-0-
16	010. Replace Power Distribution Infrastructure			
17	Restricted Funds	-0-	4,800,000	-0-
18	011. Repair Structural Floor Heaving/E&G Buildings			
19	Restricted Funds	-0-	4,000,000	-0-
20	012. Enhance Instructional Information Technology			
21	Restricted Funds	-0-	3,800,000	-0-
22	013. E&G Minor Projects Pool			
23	Restricted Funds	-0-	3,200,000	-0-
24	014. Enhance Information Technology Infrastructure			
25	Restricted Funds	-0-	2,900,000	-0-
26	015. Housing/Minor Projects Pool			
27	Restricted Funds	-0-	2,200,000	-0-

1	016. Replace Administrative Application System Phase II			
2	Restricted Funds	-0-	2,000,000	-0-
3	017. Construct Intramural Fields			
4	Restricted Funds	-0-	1,900,000	-0-
5	018. Replace E&G Fire Alarm Systems			
6	Restricted Funds	-0-	1,400,000	-0-
7	019. Relocate Early Childcare Center			
8	Restricted Funds	-0-	1,000,000	-0-
9	020. Replace Elevators Landrum Hall/Lucas Administrative Center			
10	Restricted Funds	-0-	990,000	-0-
11	021. Replace Air Handlers			
12	Restricted Funds	-0-	980,000	-0-
13	022. Restore Albright Health Center Roof			
14	Restricted Funds	-0-	680,000	-0-
15	023. Replace Business, Education, and Psychology Center Roof			
16	Restricted Funds	-0-	680,000	-0-
17	024. Enhance Softball Field			
18	Restricted Funds	-0-	600,000	-0-
19	025. Renovate University Center			
20	Restricted Funds	-0-	600,000	-0-
21	026. Kenton County - Lease			
22	027. Guaranteed Energy Savings Performance Contracts			
23	028. Construct Center for Informatics			
24	Bond Funds	-0-	35,500,000	-0-
25	029. Construct Parking Garage #3			
26	Agency Bonds	-0-	15,400,000	-0-
27	<del>[ 030. Construct Student Housing</del>			

1	Agency Bonds	0	23,000,000	0
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2 ——— 031. Expand Norse Commons

3      Agency Bonds      0      1,400,000      0 } (Veto #4)

4      **8.    UNIVERSITY OF KENTUCKY**

5           001. Construct Patient Care Facility Phase II - Hospital

6	Restricted Funds	-0-	25,000,000	-0-
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7	Agency Bonds	-0-	150,000,000	-0-
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8	TOTAL	-0-	175,000,000	-0-
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9 002. Construct Biological/Pharmaceutical Complex - Phase II

10	Bond Funds	-0-	79,892,000	-0-
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11            003. Major Item of Equipment Pool

12	Restricted Funds	-0-	195,164,000	-0-
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13	Federal Funds	-0-	3,100,000	-0-
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14	TOTAL	-0-	198,264,000	-0-
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15           004. Capital Renewal Pool Phase I

16	Restricted Funds	-0-	31,607,000	-0-
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17 005. Construct Outpatient Diagnostic/Treatment Facility II - Hospital

18	Restricted Funds	-0-	24,271,000	-0-
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19 006. Lease-Purchase ERP System - Phase II

20	Restricted Funds	-0-	20,000,000	-0-
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21 007. Expand Ambulatory Care Facilities - Hospital

22	Restricted Funds	-0-	20,000,000	-0-
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23 008. Construct Primary Care Center II - Hospital

24	Restricted Funds	-0-	17,237,000	-0-
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25 009. Replace Air Handling Unit I - Hospital

26	Restricted Funds	-0-	16,165,000	-0-
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27            010. Construct Patient Care Facility II - Hospital

1	Restricted Funds	-0-	15,909,000	-0-
2	011. Acquire Land			
3	Restricted Funds	-0-	15,000,000	-0-
4	012. Construct Facilities Support Building - Hospital			
5	Restricted Funds	-0-	14,728,000	-0-
6	013. Medicine/Dentistry Building - Design			
7	Restricted Funds	-0-	14,000,000	-0-
8	<del>[ 014. Expand and Upgrade LDDC Phase II</del>			
9	<del>_____ Bond Funds _____</del>	<del>0</del>	<del>13,500,000</del>	<del>0 ] (Veto #4)</del>
10	015. Construct Remote Cancer Clinic - Hospital			
11	Restricted Funds	-0-	12,880,000	-0-
12	016. Construct Cancer Urgent Treatment Facility - Hospital			
13	Restricted Funds	-0-	12,728,000	-0-
14	017. Lease-Purchase Telephone Switch Convergence			
15	Restricted Funds	-0-	12,000,000	-0-
16	018. Construct Outpatient Care Facility II - Hospital			
17	Restricted Funds	-0-	11,157,000	-0-
18	019. Construct Outpatient Services III - Hospital			
19	Restricted Funds	-0-	10,775,000	-0-
20	020. Construct Cancer Infusion Suites - Hospital			
21	Restricted Funds	-0-	10,688,000	-0-
22	021. Construct Imaging Facility - Hospital			
23	Restricted Funds	-0-	10,079,000	-0-
24	022. Upgrade/Modify Coldstream Facilities			
25	Restricted Funds	-0-	10,000,000	-0-
26	023. Renovate Lab & Support Space in Medical Science			
27	Restricted Funds	-0-	9,500,000	-0-

1	024. Renovate Lab for Coatings & Surface Inspection			
2	Restricted Funds	-0-	8,000,000	-0-
3	025. Upgrade Critical Care Center HVAC - Hospital			
4	Restricted Funds	-0-	7,649,000	-0-
5	026. Install Steam Line BBSRB - Old Main Gate Pit			
6	Restricted Funds	-0-	6,865,000	-0-
7	027. Install Steam Line - Taylor to Transportation Building			
8	Restricted Funds	-0-	6,725,000	-0-
9	028. Upgrade the Vivarium in Sanders Brown Building			
10	Restricted Funds	-0-	3,360,000	-0-
11	Federal Funds	-0-	3,360,000	-0-
12	TOTAL	-0-	6,720,000	-0-
13	029. Lease-Purchase High Performance Research Computer			
14	Restricted Funds	-0-	6,500,000	-0-
15	030. Construct Library Depository Facility			
16	Restricted Funds	-0-	2,915,000	-0-
17	Federal Funds	-0-	3,500,000	-0-
18	TOTAL	-0-	6,415,000	-0-
19	031. Expand Emergency Services - Hospital			
20	Restricted Funds	-0-	6,100,000	-0-
21	032. Renovate Facade - Agriculture Building North			
22	Restricted Funds	-0-	6,100,000	-0-
23	033. Construct Radiation Medicine Facility - Hospital			
24	Restricted Funds	-0-	6,069,000	-0-
25	034. Lease-Purchase UK/UofL/Frankfort Research Network			
26	Restricted Funds	-0-	6,000,000	-0-
27	035. Renovate Dietetics - Hospital			

1	Restricted Funds	-0-	6,000,000	-0-
2	036. Upgrade Cancer Center Radiologic Facility - Hospital			
3	Restricted Funds	-0-	6,000,000	-0-
4	037. Install Chilled Water Pipe to South Campus			
5	Restricted Funds	-0-	6,000,000	-0-
6	038. Replace Cooling Plant Chillers			
7	Restricted Funds	-0-	6,000,000	-0-
8	039. Purchase Clinical System Enterprise			
9	Restricted Funds	-0-	5,800,000	-0-
10	040. Add Centralized Emergency Generator			
11	Restricted Funds	-0-	5,542,000	-0-
12	041. Replace Steam and Condensate Pipe			
13	Restricted Funds	-0-	5,500,000	-0-
14	042. Install Steam Line Blazer to Singletary Center			
15	Restricted Funds	-0-	5,275,000	-0-
16	043. Construct Cancer Hospice Facility - Hospital			
17	Restricted Funds	-0-	5,145,000	-0-
18	044. Upgrade Pharmacy Fume Hood I - Life Safety			
19	Restricted Funds	-0-	5,040,000	-0-
20	045. Data Center - Design			
21	Restricted Funds	-0-	5,000,000	-0-
22	046. Renovate Research Space in Medical Science			
23	Restricted Funds	-0-	5,000,000	-0-
24	047. University Student Center - Design			
25	Restricted Funds	-0-	5,000,000	-0-
26	048. Expand Chemistry-Physics Building - Design			
27	Restricted Funds	-0-	5,000,000	-0-

1	049. Improve Central Heating Plant			
2	Restricted Funds	-0-	4,860,000	-0-
3	050. Modify Nursing Unit XII - Hospital			
4	Restricted Funds	-0-	4,806,000	-0-
5	051. Improve Life Safety Project Pool			
6	Restricted Funds	-0-	4,650,000	-0-
7	052. Purchase Patient System Enterprise			
8	Restricted Funds	-0-	4,640,000	-0-
9	053. Purchase Diagnostic Medical Record Expansion			
10	Restricted Funds	-0-	4,640,000	-0-
11	054. Renovate Imaging Center in Kentucky Clinic			
12	Restricted Funds	-0-	4,590,000	-0-
13	055. Expand Surgical Services - Hospital			
14	Restricted Funds	-0-	4,545,000	-0-
15	056. Expand Kastle Hall Vivarium			
16	Restricted Funds	-0-	4,505,000	-0-
17	057. Upgrade Surgical Services - Hospital			
18	Restricted Funds	-0-	4,500,000	-0-
19	058. Upgrade Electrical Substation			
20	Restricted Funds	-0-	4,500,000	-0-
21	059. Replace Fine Arts HVAC			
22	Restricted Funds	-0-	4,500,000	-0-
23	060. Expand CAER Laboratories			
24	Restricted Funds	-0-	4,450,000	-0-
25	061. Expand KGS Well Sample & Core Repository			
26	Restricted Funds	-0-	4,310,000	-0-
27	062. Upgrade Information Systems Services - Hospital			

1	Restricted Funds	-0-	4,206,000	-0-
2	063. Renovate Carnahan House			
3	Restricted Funds	-0-	4,000,000	-0-
4	064. Extend Virginia Avenue			
5	Restricted Funds	-0-	4,000,000	-0-
6	065. Renovate Labs in Pharmacy Building			
7	Restricted Funds	-0-	2,000,000	-0-
8	Federal Funds	-0-	2,000,000	-0-
9	TOTAL	-0-	4,000,000	-0-
10	066. Expand Operating Room Suites - Hospital			
11	Restricted Funds	-0-	3,559,000	-0-
12	067. Upgrade Diagnostic Radiology - Hospital			
13	Restricted Funds	-0-	3,530,000	-0-
14	068. Replace McVey Hall HVAC			
15	Restricted Funds	-0-	3,520,000	-0-
16	069. Lease-Purchase Campus Infrastructure Upgrade			
17	Restricted Funds	-0-	3,500,000	-0-
18	070. Lease-Purchase Large Scale Computing			
19	Restricted Funds	-0-	3,500,000	-0-
20	071. Upgrade HVAC II - Hospital			
21	Restricted Funds	-0-	3,500,000	-0-
22	072. Expand/Renovate CPST Facility			
23	Restricted Funds	-0-	3,500,000	-0-
24	073. Replace Central Facilities Management System			
25	Restricted Funds	-0-	3,500,000	-0-
26	074. Upgrade Fume Hoods TH Morgan - Life Safety			
27	Restricted Funds	-0-	3,188,000	-0-



1	075. Expand Ophthalmology Clinic - Hospital			
2	Restricted Funds	-0-	3,100,000	-0-
3	076. Replace Steam Line Lime Tunnel - Main Gate			
4	Restricted Funds	-0-	3,100,000	-0-
5	077. Replace HVAC Kastle Hall			
6	Restricted Funds	-0-	3,100,000	-0-
7	078. Construct Building Connectors III - Hospital			
8	Restricted Funds	-0-	3,059,000	-0-
9	079. Purchase Dentistry Patient Management System - Phase II			
10	Restricted Funds	-0-	3,000,000	-0-
11	080. Upgrade Global Ventilation Controls - Hospital			
12	Restricted Funds	-0-	3,000,000	-0-
13	081. Renovate Central Vivarium			
14	Restricted Funds	-0-	1,500,000	-0-
15	Federal Funds	-0-	1,500,000	-0-
16	TOTAL	-0-	3,000,000	-0-
17	082. Renovate Sections of Funkhouser			
18	Restricted Funds	-0-	3,000,000	-0-
19	083. Renovate Research Space Medical Center I			
20	Restricted Funds	-0-	3,000,000	-0-
21	084. Construct Radiation Medicine Facility II - Hospital			
22	Restricted Funds	-0-	2,955,000	-0-
23	085. Construct University Press Facility			
24	Restricted Funds	-0-	2,950,000	-0-
25	086. Upgrade Surgical Suite - Hospital			
26	Restricted Funds	-0-	2,945,000	-0-
27	087. Renovate Outpatient Clinic in Kentucky Clinic			

1	Restricted Funds	-0-	2,930,000	-0-
2	088. Replace HVAC Slone Building			
3	Restricted Funds	-0-	2,917,000	-0-
4	089. Purchase Upgrade - HIS Computing Facility			
5	Restricted Funds	-0-	2,900,000	-0-
6	090. Renovate Central Computing Facility			
7	Restricted Funds	-0-	2,811,000	-0-
8	091. Install Cooling Secondary Pumping			
9	Restricted Funds	-0-	2,800,000	-0-
10	092. Replace Steam Line Main Gate Pit and Anderson Pit			
11	Restricted Funds	-0-	2,750,000	-0-
12	093. Renovate DLAR Quarantine Facility at Spindletop			
13	Restricted Funds	-0-	2,720,000	-0-
14	094. Renovate Koinonia House			
15	Restricted Funds	-0-	2,715,000	-0-
16	095. Construct Alumni Drive Roundabouts			
17	Restricted Funds	-0-	2,630,000	-0-
18	096. Upgrade Fume Hood in Sanders Brown - Life Safety			
19	Restricted Funds	-0-	2,600,000	-0-
20	097. Purchase Computing Infrastructure Update			
21	Restricted Funds	-0-	2,500,000	-0-
22	098. Upgrade Outpatient Surgical Suite - Hospital			
23	Restricted Funds	-0-	2,500,000	-0-
24	099. Implement Land Use Plan IV - Hospital			
25	Restricted Funds	-0-	2,500,000	-0-
26	100. Renovate Parking Structure #3			
27	Restricted Funds	-0-	2,500,000	-0-

1	101. Renovate 3rd Floor Little Library			
2	Restricted Funds	-0-	2,500,000	-0-
3	102. Renovate Research Labs in Medical Center IV			
4	Restricted Funds	-0-	2,500,000	-0-
5	103. Replace Central Fire Alarm System			
6	Restricted Funds	-0-	2,500,000	-0-
7	104. Improve Spindletop Hall Facility Capital Renewal			
8	Restricted Funds	-0-	2,450,000	-0-
9	105. Multi-Care Clinic Building - Design			
10	Restricted Funds	-0-	2,200,000	-0-
11	106. Replace Chemistry Physics Ductwork			
12	Restricted Funds	-0-	2,200,000	-0-
13	107. Expand Animal Science Research Center Phase II - Design			
14	Restricted Funds	-0-	2,200,000	-0-
15	108. Replace Steam Line MC Htg - Hospital Drive Pit 2			
16	Restricted Funds	-0-	2,114,000	-0-
17	109. Expand Plant Capacity Infrastructure - Design			
18	Restricted Funds	-0-	2,040,000	-0-
19	110. Upgrade PACS System			
20	Restricted Funds	-0-	2,000,000	-0-
21	111. Replace Radiology Information System			
22	Restricted Funds	-0-	2,000,000	-0-
23	112. Upgrade Outpatient Services - Hospital			
24	Restricted Funds	-0-	2,000,000	-0-
25	113. Upgrade Clinical Services - Hospital			
26	Restricted Funds	-0-	2,000,000	-0-
27	114. Renovate Hospital Nursing Unit			

1	Restricted Funds	-0-	2,000,000	-0-
2	115. Expand Outpatient Radiology - Hospital			
3	Restricted Funds	-0-	2,000,000	-0-
4	116. Construct Physicians Services Facilities - Hospital			
5	Restricted Funds	-0-	2,000,000	-0-
6	117. Construct Cancer Education Facility - Hospital			
7	Restricted Funds	-0-	2,000,000	-0-
8	118. Upgrade Air Handling Units - Medical Center Campus			
9	Restricted Funds	-0-	2,000,000	-0-
10	119. Renovate Research Labs in Medical Center III			
11	Restricted Funds	-0-	2,000,000	-0-
12	120. Construct New Housing			
13	Restricted Funds	-0-	2,000,000	-0-
14	121. Renovate Taylor Education Building - Design			
15	Restricted Funds	-0-	2,000,000	-0-
16	122. Expand Cancer Infusion Suites			
17	Restricted Funds	-0-	1,964,000	-0-
18	123. Replace Air Handling Units in Research #1			
19	Restricted Funds	-0-	1,935,000	-0-
20	124. Construct University Conference Center			
21	Restricted Funds	-0-	1,900,000	-0-
22	125. Expand/Renovate Art Museum Singletary Center - Design			
23	Restricted Funds	-0-	1,900,000	-0-
24	126. Install Pollution Controls			
25	Restricted Funds	-0-	1,900,000	-0-
26	127. Implement Medication Bar Coding System			
27	Restricted Funds	-0-	1,750,000	-0-

1	128. Replace Master Clock and Bell System			
2	Restricted Funds	-0-	1,750,000	-0-
3	129. Renovate King Library South - 1962 Section			
4	Restricted Funds	-0-	1,700,000	-0-
5	130. Renovate Graduate Education & Research Space in Nursing			
6	Restricted Funds	-0-	1,700,000	-0-
7	131. Replace Steam Line Lime Tunnel - POT Tunnel			
8	Restricted Funds	-0-	1,606,000	-0-
9	132. Renovate Cooper House			
10	Restricted Funds	-0-	1,600,000	-0-
11	133. Improve Oswald Building			
12	Restricted Funds	-0-	1,600,000	-0-
13	134. Construct Horticultural Research & Education Facility			
14	Restricted Funds	-0-	1,600,000	-0-
15	135. Lease-Purchase Network Security Hardware			
16	Restricted Funds	-0-	1,500,000	-0-
17	136. Upgrade Utility Systems VI - Hospital			
18	Restricted Funds	-0-	1,500,000	-0-
19	137. Upgrade Diagnostic Services XI - Hospital			
20	Restricted Funds	-0-	1,500,000	-0-
21	138. Install Chilled Water Pipe - Cooling Plant 2 to Pit			
22	Restricted Funds	-0-	1,500,000	-0-
23	139. Renovate Research Labs in Medical Center I			
24	Restricted Funds	-0-	1,500,000	-0-
25	140. Renovate Dentistry Class Lab			
26	Restricted Funds	-0-	1,475,000	-0-
27	141. Replace Mathew's Building HVAC			

1	Restricted Funds	-0-	1,438,000	-0-
2	142. Renovate King Library South - 1930 Section Design			
3	Restricted Funds	-0-	1,400,000	-0-
4	143. Environmental Institute - Design			
5	Restricted Funds	-0-	1,392,000	-0-
6	144. Modify Nursing Unit XI - Hospital			
7	Restricted Funds	-0-	1,390,000	-0-
8	145. Upgrade Nutrition Services II - Hospital			
9	Restricted Funds	-0-	1,278,000	-0-
10	146. Renovate Imaging Center II			
11	Restricted Funds	-0-	1,257,000	-0-
12	147. Fit-up Gill Building Ground Floor - Hospital			
13	Restricted Funds	-0-	1,250,000	-0-
14	148. Construct UK Paducah Engineering Research Center			
15	Restricted Funds	-0-	1,230,000	-0-
16	149. Improve Storm Sewer Funkhouser			
17	Restricted Funds	-0-	1,225,000	-0-
18	150. Renovate Clinical Teaching Space in Nursing Building			
19	Restricted Funds	-0-	1,220,000	-0-
20	151. Install Fetal Monitoring Information System			
21	Restricted Funds	-0-	1,200,000	-0-
22	152. Lease-Purchase Enterprise Storage System			
23	Restricted Funds	-0-	1,200,000	-0-
24	153. Replace Air Handling Unit II - Roach			
25	Restricted Funds	-0-	1,200,000	-0-
26	154. Replace Air Handling Unit I - Roach			
27	Restricted Funds	-0-	1,200,000	-0-

1	155. Renovate COM Administrative Offices			
2	Restricted Funds	-0-	1,200,000	-0-
3	156. Improve Exterior Lighting Phase I			
4	Restricted Funds	-0-	1,200,000	-0-
5	157. Create Universal Nursing Unit - Hospital			
6	Restricted Funds	-0-	1,180,000	-0-
7	158. Purchase Managed Care Enterprise			
8	Restricted Funds	-0-	1,160,000	-0-
9	159. Replace Three Elevators MI King South			
10	Restricted Funds	-0-	1,130,000	-0-
11	160. Upgrade Communications Services - Hospital			
12	Restricted Funds	-0-	1,126,000	-0-
13	161. Upgrade Building Entrances Safety & Security			
14	Restricted Funds	-0-	1,100,000	-0-
15	162. Install Chilled Water Additions General Campus			
16	Restricted Funds	-0-	1,100,000	-0-
17	163. Purchase Communications Infrastructure in Young Library			
18	Restricted Funds	-0-	1,014,000	-0-
19	164. Implement Automated Bed Management System			
20	Restricted Funds	-0-	1,000,000	-0-
21	165. Upgrade Support Services II - Hospital			
22	Restricted Funds	-0-	1,000,000	-0-
23	166. Upgrade Diagnostic Services XII - Hospital			
24	Restricted Funds	-0-	1,000,000	-0-
25	167. Upgrade Transport Systems - Medical Center Campus			
26	Restricted Funds	-0-	1,000,000	-0-
27	168. Replace Agr. North Primary Electrical Service			

1	Restricted Funds	-0-	1,000,000	-0-
2	169. Lease-Purchase Fire Suppression Upgrade			
3	Restricted Funds	-0-	1,000,000	-0-
4	170. Construct Parking Structure - Central Campus			
5	Restricted Funds	-0-	1,000,000	-0-
6	171. Expand West KY Research & Education Center - Design			
7	Restricted Funds	-0-	1,000,000	-0-
8	172. Renovate College of Public Health Building - Design			
9	Restricted Funds	-0-	1,000,000	-0-
10	173. Renovate Reynolds Building - Design			
11	Restricted Funds	-0-	1,000,000	-0-
12	174. Parking Structure - North Campus - Design			
13	Restricted Funds	-0-	1,000,000	-0-
14	175. Renovate Barker Hall - Design			
15	Restricted Funds	-0-	1,000,000	-0-
16	176. Renovate Slone Building - Design			
17	Restricted Funds	-0-	1,000,000	-0-
18	177. Upgrade Sound System for the Singletary Center			
19	Restricted Funds	-0-	1,000,000	-0-
20	178. Fit-up Education Space in Health Science Building			
21	Restricted Funds	-0-	1,000,000	-0-
22	179. Renovate Bowman Hall - Design			
23	Restricted Funds	-0-	1,000,000	-0-
24	180. Lease-Purchase UPS System			
25	Restricted Funds	-0-	941,000	-0-
26	181. Replace Law Building Marble Facade			
27	Restricted Funds	-0-	930,000	-0-